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TITLE I—COMMITTEE ON AGRICULTURE

Subtitle A—General Provisions

SEC. 10001. DEFINITIONS.

In this title:

(1) The term “insular area” has the meaning given such term in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103).

(2) The term “Secretary” means the Secretary of Agriculture.

Subtitle B—Forestry

SEC. 11001. NATIONAL FOREST SYSTEM RESTORATION AND FUELS REDUCTION PROJECTS.

(a) Appropriations.—In addition to amounts otherwise available, there are appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2031—

(1) \$10,000,000,000 for hazardous fuels reduction projects on National Forest System land within the wildland-urban interface;

(2) \$4,000,000,000 for, on a determination made solely by the Secretary that hazardous fuels reduction projects within the wildland-urban interface described in paragraph (1) have been planned to protect, to the extent practicable, at-risk communities, hazardous fuels reduction projects on National Forest System land outside the wildland-urban interface that are—

(A) primarily noncommercial in nature, provided that, in accordance with the best available science, the harvest of merchantable materials shall be ecologically appropriate for restoration and to enhance ecological health and function, and any sale of merchantable materials under this paragraph shall be limited to small diameter trees or biomass that are a byproduct of hazardous fuel reduction projects;

(B) collaboratively developed; and

(C) carried out in a manner that enhances the ecological integrity and achieves the restoration of a forest ecosystem; maximizes the retention of old-growth and large trees, as appropriate for the forest type; and prioritizes prescribed fire as the primary means to achieve modified wildland fire behavior;

(3) \$1,000,000,000 for vegetation management projects carried out solely on National Forest System land that the Secretary shall select following the receipt of proposals submitted in accordance with subsections (a), (b), and (c) of section 4003 of the Omnibus Public Land Management Act of 2009 (16 U.S.C. 7303);

(4) \$400,000,000 for vegetation management projects on National Forest System land

1 carried out in accordance with a water source management plan or a watershed protection
2 and restoration action plan;

3 (5) \$400,000,000 for vegetation management projects on National Forest System land
4 that—

5 (A) maintain, or contribute toward the restoration of, reference old growth
6 characteristics, including structure, composition, function, and connectivity;

7 (B) prioritize small diameter trees and prescribed fire to modify fire behavior; and

8 (C) maximize the retention of large trees, as appropriate for the forest type;

9 (6) \$450,000,000 for the Legacy Roads and Trails program of the Forest Service;

10 (7) \$350,000,000 for National Forest System land management planning and monitoring,
11 prioritized on the assessment of watershed, ecological, and carbon conditions on National
12 Forest System land and the revision and amendment of older land management plans that
13 present opportunities to protect, maintain, restore, and monitor ecological integrity,
14 ecological conditions for at-risk species, and carbon storage;

15 (8) \$100,000,000 for maintenance of trails on National Forest System land, with a
16 priority on trails that provide to underserved communities access to National Forest System
17 land;

18 (9) \$100,000,000 for capital maintenance and improvements on National Forest System
19 land, with a priority on maintenance level 3, 4, and 5 roads and improvements that restore
20 ecological integrity and conditions for at-risk species;

21 (10) \$100,000,000 to provide for more efficient and more effective environmental
22 reviews by the Chief of the Forest Service in satisfying the obligations of the Chief of the
23 Forest Service under the National Environmental Policy Act of 1969 (42 U.S.C. 4321
24 through 4370m–12);

25 (11) \$50,000,000 to develop and carry out activities and tactics for the protection of older
26 and mature forests on National Forest System land, including completing an inventory of
27 older and mature forests within the National Forest System;

28 (12) \$50,000,000 to develop and carry out activities and tactics for the maintenance and
29 restoration of habitat conditions necessary for the protection and recovery of at-risk species
30 on National Forest System land;

31 (13) \$50,000,000 to carry out post-fire recovery plans on National Forest System land
32 that emphasize the use of locally adapted native plant materials to restore the ecological
33 integrity of disturbed areas and do not include salvage logging; and

34 (14) \$50,000,000 to develop and carry out nonlethal activities and tactics to reduce
35 human-wildlife conflicts on National Forest System land.

36 (b) Priority for Funding.—For projects described in paragraphs (1) through (5) of subsection
37 (a), the Secretary shall prioritize for implementation projects—

38 (1) for which an environmental assessment or an environmental impact statement
39 required under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 through
40 4370m–12) has been completed;

- 1 (2) that are collaboratively developed; or
- 2 (3) that include opportunities to restore sustainable recreation infrastructure or access or
3 accomplish other recreation outcomes on National Forest System lands, if the opportunities
4 are compatible with the primary restoration purposes of the project.
- 5 (c) Limitations.—None of the funds made available by this section may be used for any
6 activity—
- 7 (1) conducted in a wilderness area or wilderness study area;
- 8 (2) that includes the construction of a permanent road or permanent trail;
- 9 (3) that includes the construction of a temporary road, except in the case of a temporary
10 road that is decommissioned by the Secretary not later than 3 years after the earlier of—
- 11 (A) the date on which the temporary road is no longer needed; and
- 12 (B) the date on which the project for which the temporary road was constructed is
13 completed;
- 14 (4) inconsistent with the applicable land management plan;
- 15 (5) inconsistent with the prohibitions of the rule of the Forest Service entitled “Special
16 Areas; Roadless Area Conservation” (66 Fed. Reg. 3244 (January 12, 2001)), as modified
17 by subparts C and D of part 294 of title 36, Code of Federal Regulations; or
- 18 (6) carried out on any land that is not National Forest System land, including other
19 forested land on Federal, State, Tribal, or private land.
- 20 (d) Definitions.—In this section:
- 21 (1) AT-RISK COMMUNITY.—The term “at-risk community” has the meaning given the
22 term in section 101 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6511).
- 23 (2) COLLABORATIVELY DEVELOPED.—The term “collaboratively developed” means, with
24 respect to a project located exclusively on National Forest System land, that the project is
25 developed and implemented through a collaborative process that—
- 26 (A) includes multiple interested persons representing diverse interests, except such
27 persons shall not be employed by the Federal government or **be** representatives of
28 foreign entities; and
- 29 (B)(i) is transparent and nonexclusive; or
- 30 (ii) meets the requirements for a resource advisory committee under subsections (c)
31 through (f) of section 205 of the Secure Rural Schools and Community
32 Self-Determination Act of 2000 (16 U.S.C. 7125).
- 33 (3) DECOMMISSION.—The term “decommission” means, with respect to a road—
- 34 (A) reestablishing native vegetation on the road;
- 35 (B) restoring any natural drainage, watershed function, or other ecological processes
36 that were disrupted or adversely impacted by the road by removing or hydrologically
37 disconnecting the road prism and reestablishing stable slope contours; and
- 38 (C) effectively blocking the road to vehicular traffic, where feasible.

1 (4) ECOLOGICAL INTEGRITY.—The term “ecological integrity” has the meaning given the
2 term in section 219.19 of title 36, Code of Federal Regulations (as in effect on the date of
3 enactment of this Act).

4 (5) HAZARDOUS FUELS REDUCTION PROJECT.—The term “hazardous fuels reduction
5 project” means an activity, including the use of prescribed fire, to protect structures and
6 communities from wildfire that is carried out on National Forest System land.

7 (6) RESTORATION.—The term “restoration” has the meaning given the term in section
8 219.19 of title 36, Code of Federal Regulations (as in effect on the date of enactment of this
9 Act).

10 (7) VEGETATION MANAGEMENT PROJECT.—The term “vegetation management project”
11 means an activity carried out on National Forest System land to enhance the ecological
12 integrity and achieve the restoration of a forest ecosystem through the removal of
13 vegetation, the use of prescribed fire, the restoration of aquatic habitat, or the
14 decommissioning of an unauthorized, temporary, or system road.

15 (8) WATER SOURCE MANAGEMENT PLAN.—The term “water source management plan”
16 means a plan developed under section 303(d)(1) of the Healthy Forests Restoration Act of
17 2003 (16 U.S.C. 6542(d)(1)).

18 (9) WATERSHED PROTECTION AND RESTORATION ACTION PLAN.—The term “watershed
19 protection and restoration action plan” means a plan developed under section 304(a)(3) of
20 the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6543(a)(3)).

21 (10) WILDLAND-URBAN INTERFACE.—The term “wildland-urban interface” has the
22 meaning given the term in section 101 of the Healthy Forests Restoration Act of 2003 (16
23 U.S.C. 6511).

24 (e) Limitations.—Nothing in this section shall be interpreted to authorize funds of the
25 Commodity Credit Corporation for activities under this section if such funds are not expressly
26 authorized or currently expended for such purposes.

27 (f) Cost-sharing Requirement.— Any partnership agreements, including cooperative
28 agreements and mutual interest agreements, using funds made available under this section shall
29 be subject to a non-Federal cost-share requirement of not less than 20 percent of the project cost,
30 which may be waived at the discretion of the Secretary.

31 SEC. 11002. NON-FEDERAL LAND FOREST 32 RESTORATION AND FUELS REDUCTION PROJECTS 33 AND RESEARCH.

34 (a) Appropriations.—In addition to amounts otherwise available, there are appropriated to the
35 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to
36 remain available until September 30, 2031—

37 (1) \$2,000,000,000 to award grants to Tribal, State, or local governments or the
38 government of the District of Columbia, regional organizations, special districts, or
39 nonprofit organizations to support, on non-Federal land, forest restoration and resilience
40 projects, including projects to reduce the risk of wildfires and establish defensible space

1 around structures within at-risk communities (as defined in section 101 of the Healthy
2 Forests Restoration Act of 2003 (16 U.S.C. 6511));

3 (2) \$1,000,000,000 to award grants to Tribal, State, or local governments or the
4 government of the District of Columbia, regional organizations, special districts, or
5 nonprofit organizations to implement community wildfire protection plans (as defined in
6 section 101 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6511)) in existence
7 on the date of the enactment of this Act, purchase firefighting equipment, provide firefighter
8 training, and increase the capacity for planning, coordinating, and monitoring projects on
9 non-Federal land to protect at-risk communities (as defined in section 101 of the Healthy
10 Forests Restoration Act of 2003 (16 U.S.C. 6511));

11 (3) \$250,000,000 to award grants to Tribal, State, or local governments or the
12 government of the District of Columbia, regional organizations, special districts, or
13 nonprofit organizations for projects on non-Federal land to aid in the recovery and
14 rehabilitation of burned forested areas, including reforestation;

15 (4) \$175,000,000 to award grants to Tribal, State, or local governments or the
16 government of the District of Columbia, regional organizations, special districts, or
17 nonprofit organizations for projects on non-Federal land to expand equitable outdoor access
18 and promote tourism on non-Federal forested land for members of underserved groups;

19 (5) \$150,000,000 for the State Fire Assistance and Volunteer Fire Assistance programs
20 established under the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101 through
21 2114) to be distributed at the discretion of the Secretary;

22 (6) \$150,000,000 for the implementation of State-wide forest resource strategies under
23 section 2A of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101a);

24 (7) \$250,000,000 for the competitive grant program under section 13A of the Cooperative
25 Forestry Assistance Act of 1978 (16 U.S.C. 2109a) for providing through that program a
26 cost share to carry out climate mitigation or forest resilience practices in the case of
27 underserved forest landowners, subject to the condition that subsection (h) of that section
28 shall not apply;

29 (8) \$250,000,000 for the competitive grant program under section 13A of the Cooperative
30 Forestry Assistance Act of 1978 (16 U.S.C. 2109a) for providing through that program
31 grants to support the participation of underserved forest landowners in emerging private
32 markets for climate mitigation or forest resilience, subject to the condition that subsection
33 (h) of that section shall not apply;

34 (9) \$250,000,000 for the competitive grant program under section 13A of the Cooperative
35 Forestry Assistance Act of 1978 (16 U.S.C. 2109a) for providing through that program
36 grants to support the participation of forest landowners who own less than 2,500 acres of
37 forest land in emerging private markets for climate mitigation or forest resilience, subject to
38 the condition that subsection (h) of that section shall not apply;

39 (10) \$500,000,000 for the competitive grant program under section 13A of the
40 Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2109a) to provide grants to states
41 and other eligible entities to provide payments to owners of private forest land for
42 implementation of forestry practices on private forest land, that are determined by the
43 Secretary, based on the best available science, to provide measurable increases in carbon

1 sequestration and storage beyond customary practices on comparable land, subject to the
2 conditions that—

3 (A) those payments shall not preclude landowners from participation in other public
4 and private sector financial incentive programs; and

5 (B) subsection (h) of that section shall not apply;

6 (11) \$50,000,000 for the forest inventory and analysis program established under section
7 3(e) of the Forest and Rangeland Renewable Resources Research Act of 1978 (16 U.S.C.
8 1642(e)) for activities and tactics to accelerate and expand existing research efforts to
9 improve forest carbon monitoring technologies to better predict changes in forest carbon
10 due to climate change;

11 (12) \$100,000,000 for the forest inventory and analysis program established under
12 section 3(e) of the Forest and Rangeland Renewable Resources Research Act of 1978 (16
13 U.S.C. 1642(e)) to carry out recommendations from a panel of relevant experts convened by
14 the Secretary that has reviewed and, based on the review, issued recommendations
15 regarding the current priorities and future needs of the forest inventory and analysis
16 program with respect to climate change, forest health, sustainable wood products, and
17 increasing carbon storage in forests;

18 (13) \$50,000,000 for the forest inventory and analysis program established under section
19 3(e) of the Forest and Rangeland Renewable Resources Research Act of 1978 (16 U.S.C.
20 1642(e)) to provide enhancements to the technology managed and used by the forest
21 inventory and analysis program, including cloud computing and remote sensing for
22 purposes such as small area estimation;

23 (14) \$775,000,000 to provide grants under the wood innovation grant program under
24 section 8643 of the Agriculture Improvement Act of 2018 (7 U.S.C. 7655d), including for
25 the construction of new facilities that advance the purposes of the program, subject to the
26 conditions that the amount of such a grant shall be not more than \$5,000,000;
27 notwithstanding subsection (d) of that section, a recipient of such a grant shall provide
28 funds equal to not less than 50 percent of the amount received under the grant, to be derived
29 from non-Federal sources; and a priority shall be placed on projects that create a financial
30 model for addressing forest restoration needs on public or private forest land; and

31 (15) \$50,000,000 for the research mission area of the Forest Service to carry out
32 greenhouse gas life cycle analyses of domestic wood products.

33 (b) Funding for Restoration on Non-Federal Areas by States.—The Secretary may use
34 amounts made available by this section to carry out eligible projects as determined by the
35 Secretary, authorized in subsection (a) on non-Federal land upon the request of the Governor of
36 that State, **or, in the case of the District of Columbia, the Mayor.**

37 (c) Cost-sharing Requirement.—Any partnership agreements, including cooperative
38 agreements and mutual interest agreements, using funds made available under this section shall
39 be subject to a non-Federal cost-share requirement of not less than 20 percent of the project cost,
40 which may be waived at the discretion of the Secretary.

41 (d) Limitations.—Nothing in this section shall be interpreted to authorize funds of the
42 Commodity Credit Corporation for activities under this section if such funds are not expressly

1 authorized or currently expended for such purposes.

2 SEC. 11003. STATE AND PRIVATE FORESTRY 3 CONSERVATION PROGRAMS.

4 (a) Appropriations.—In addition to amounts otherwise available, there are appropriated to the
5 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to
6 remain available until September 30, 2031—

7 (1) \$1,250,000,000 to provide competitive grants to States through the Forest Legacy
8 Program established under section 7 of the Cooperative Forestry Assistance Act of 1978 (16
9 U.S.C. 2103c) to acquire land and interests in land, with priority given to grant applications
10 that offer significant natural carbon sequestration benefits, contribute to the resilience of
11 community infrastructure, local economies, or natural systems, or provide benefits to
12 underserved populations;

13 (2) \$2,500,000,000 to provide multi-year, programmatic, competitive grants to a State
14 agency, a local governmental entity, and agency or governmental entity of the District of
15 Columbia, an Indian Tribe, or a nonprofit organization through the Urban and Community
16 Forestry Assistance program established under section 9(c) of the Cooperative Forestry
17 Assistance Act of 1978 (16 U.S.C. 2105(c)) for tree planting and related activities to
18 increase tree equity and community tree canopy and associated societal and climate
19 co-benefits, with a priority for projects that benefit underserved populations; and

20 (3) \$100,000,000 for the acquisition of urban and community forests through the
21 Community Forest and Open Space Program of the Forest Service.

22 (b) Waiver.—Any non-Federal cost-share requirement otherwise applicable to projects carried
23 out under this section may be waived at the discretion of the Secretary.

24 SEC. 11004. LIMITATION.

25 The funds made available under this subtitle are subject to the condition that the Secretary
26 shall not—

27 (1) enter into any agreement—

28 (A) that is for a term extending beyond September 30, 2031; or

29 (B) under which any payment could be outlaid or funds disbursed after September
30 30, 2031; or

31 (2) use any other funds available to the Secretary to satisfy obligations initially made
32 under this subtitle.

33 SEC. 11005. APPROPRIATIONS.

34 In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal
35 year 2022, out of any money in the Treasury not otherwise appropriated, \$200,000,000 to remain
36 available until September 30, 2031, for administrative costs of the agencies and offices of the
37 Department of Agriculture for costs related to implementing this subtitle.

1 Subtitle C—Rural Development and Agricultural Credit and
2 Outreach

3 PART 1—RURAL DEVELOPMENT

4 SEC. 12001. ADDITIONAL SUPPORT FOR USDA RURAL
5 WATER PROGRAMS.

6 In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal
7 year 2022, out of any money in the Treasury not otherwise appropriated, and notwithstanding
8 sections 381E through 381H and 381N of the Consolidated Farm and Rural Development Act (7
9 U.S.C. 2009d through 2009g and 2009m), \$97,000,000, to remain available until September 30,
10 2031, for the cost of grants for rural water and waste water programs authorized by sections 306,
11 306C, and 306D and described in sections 306C(a)(2) and 306D of the Consolidated Farm and
12 Rural Development Act in persistent poverty counties (or, notwithstanding any population limits
13 specified in section 343 of the Consolidated Farm and Rural Development Act, a county seat of a
14 persistent poverty county with a population that does not exceed the authorized population limit
15 by more than 10 percent), Tribal lands, colonias, and insular areas, subject to the condition that
16 the performance of any construction work completed with amounts provided under this section
17 meet the condition described in section 9003(f) of the Farm Security and Rural Investment Act
18 of 2002 (7 U.S.C. 8103(f)).

19 SEC. 12002. USDA RURAL WATER GRANTS FOR LEAD
20 REMEDIATION.

21 In addition to amounts otherwise made available, there is appropriated to the Secretary for
22 fiscal year 2022, out of any money in the Treasury not otherwise appropriated and
23 notwithstanding sections 381E through 381H and 381N of the Consolidated Farm and Rural
24 Development Act (7 U.S.C. 2009d through 2009g and 2009m), \$970,000,000, to remain
25 available until September 30, 2031, notwithstanding section 306C(a)(2)(A) of the Consolidated
26 Farm and Rural Development Act (7 U.S.C. 1926c(a)(2)(A)), for grants under sections
27 306C(a)(1)(A) and 306(a)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C.
28 1926c(a)(1)(A) and 1926(a)(2)) for the purpose of replacement of service lines that contain lead,
29 subject to the condition that the performance of any construction work completed with amounts
30 provided under this section meet the condition described in section 9003(f) of the Farm Security
31 and Rural Investment Act of 2002 (7 U.S.C. 8103(f)).

32 SEC. 12003. ADDITIONAL FUNDING FOR ELECTRIC
33 LOANS FOR RENEWABLE ENERGY.

34 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
35 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
36 \$2,880,000,000, to remain available until September 30, 2031, for ~~making~~ **the cost of** loans
37 under section 317 of the Rural Electrification Act of 1936 (7 U.S.C. 940g), including for projects
38 that store electricity that supports the types of eligible projects under such section, which shall be
39 forgiven in whole or in part based on how the borrower and the project meets the terms and

1 conditions for loan forgiveness consistent with the purposes of such section established by the
2 Secretary, subject to the condition that the performance of any construction work completed with
3 amounts provided under this section meet the condition described in section 9003(f) of the Farm
4 Security and Rural Investment Act of 2002 (7 U.S.C. 8103(f)).

5 (b) Limitation.—The Secretary shall not enter into any loan agreement pursuant to this section
6 that could result in disbursements after September 30, 2031.

7 **SEC. 12004. RURAL ENERGY SAVINGS PROGRAM.**

8 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
9 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
10 \$200,000,000, to remain available until September 30, 2031, to carry out section 6407 of the
11 Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107a) and this section, subject to the
12 condition that the performance of any construction work completed with amounts provided under
13 this section meet the condition described in section 9003(f) of such Act (7 U.S.C. 8103(f)).

14 (b) Use of Funds.—

15 (1) IN GENERAL.—Except as provided in paragraph (2) of this subsection, at the election
16 of an eligible entity (as defined in section 6407(b) of the Farm Security and Rural
17 Investment Act of 2002 (7 U.S.C. 8107a(b))) to which a loan is made under section 6407(c)
18 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107a(c)), the Secretary
19 shall make a grant to the eligible entity in an amount equal to not more than 5 percent of the
20 loan amount for the purposes of costs incurred in—

21 (A) applying for a loan received under section 6407(c) of such Act;

22 (B) making a loan under section 6407(d) of such Act;

23 (C) making repairs to the property of a qualified consumer that facilitate the energy
24 efficiency measures for the property financed through a loan under section 6407(d) of
25 such Act;

26 (D) entering into a contract under section 6407(e) of such Act; or

27 (E) carrying out the duties of an eligible entity under section 6407 of such Act.

28 (2) PERSISTENT POVERTY COUNTIES.—In the case that the grant is for the purpose of
29 making a loan under section 6407(d) of the Farm Security and Rural Investment Act of
30 2002 (7 U.S.C. 8107a(d)) to a qualified consumer (as defined in section 6407(b) of such
31 Act) in a persistent poverty county (as determined by the Secretary), the percentage
32 limitation in paragraph (1) of this subsection shall be 10 percent.

33 (c) Limitation.—The Secretary shall not enter into any loan agreement pursuant to this section
34 that could result in disbursements after September 30, 2031, or any grant agreement pursuant to
35 this section that could result in any outlays after September 30, 2031.

36 **SEC. 12005. RURAL ENERGY FOR AMERICA PROGRAM.**

37 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
38 Secretary, out of any money in the Treasury not otherwise appropriated, for eligible projects
39 under section 9007 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107) and

1 subject to the conditions that the performance of any construction work completed with amounts
2 provided under this subsection meet the condition described in section 9003(f) of such Act, and
3 notwithstanding section 9007(c)(3)(A) of such Act, the amount of a grant shall not exceed 50
4 percent of the cost of the activity carried out using the grant funds—

5 (1) \$820,250,000 for fiscal year 2022, to remain available until September 30, 2031; and

6 (2) ~~\$170,000,000~~ **\$180,276,500** for each of fiscal years 2023 through 2027, to remain
7 available until September 30, 2031.

8 (b) Underutilized Renewable Energy Technologies.—In addition to amounts otherwise
9 available, there is appropriated to the Secretary, out of any money in the Treasury not otherwise
10 appropriated, to provide grants and loans guaranteed by the Secretary (including the costs of
11 such loans) under the program described in subsection (a) of this section relating to underutilized
12 renewable energy technologies, and to provide technical assistance for applying to ~~such program~~
13 ~~(as determined by the Secretary)~~ **the program described in subsection (a) of this section,**
14 **including for underutilized renewable energy technologies,** subject to the conditions that the
15 performance of any construction work completed with amounts provided under this subsection
16 meet the condition described in section 9003(f) of such Act and, notwithstanding section
17 9007(c)(3)(A) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107(c)(3)(A)),
18 the amount of a grant shall not exceed 50 percent of the cost of the activity carried out using the
19 grant funds, and to the extent the following amounts remain available at the end of each fiscal
20 year, the Secretary shall use such amounts in accordance with subsection (a) of this section—

21 (1) \$144,750,000 for fiscal year 2022, to remain available until September 30, 2031; and

22 (2) ~~\$30,000,000~~ **\$31,813,500** for each of fiscal years 2023 through 2027, to remain
23 available until September 30, 2031.

24 (c) Limitation.—The Secretary shall not enter into any loan agreement pursuant to this section
25 that could result in disbursements after September 30, 2031 or any grant agreement pursuant to
26 this section that could result in any outlays after September 30, 2031.

27 SEC. 12006. BIOFUEL INFRASTRUCTURE AND 28 AGRICULTURE PRODUCT MARKET EXPANSION.

29 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
30 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
31 \$960,000,000, to remain available until September 30, 2031, to carry out this section.

32 (b) Use of Funds.—The Secretary shall use the amounts made available by subsection (a) to
33 provide grants, for which the Federal share shall be not more than 75 percent of the total cost of
34 carrying out a project for which the grant is provided, on a competitive basis, to transportation
35 fueling facilities and distribution facilities, including fueling stations, convenience stores,
36 hypermarket retailer fueling stations, fleet facilities, as well as fuel terminal operations,
37 mid-stream partners, and heating oil distribution facilities or equivalent entities, subject to the
38 condition that the performance of any construction work completed with amounts provided under
39 this section shall meet the condition described in section 9003(f) of the Farm Security and Rural
40 Investment Act of 2002 (7 U.S.C. 8103(f))—

41 (1) to install, retrofit, or otherwise upgrade fuel dispensers or pumps and related

1 equipment, storage tank system components, and other infrastructure required at a location
2 related to dispensing certain biofuels blends to ensure the increased sales of fuels with high
3 levels of commodity-based ethanol and biodiesel that are at or greater than the levels
4 required in the Notice of Funding Availability for the Higher Blends Infrastructure
5 Incentive Program for Fiscal Year 2020, published in volume 85 of the Federal Register (85
6 Fed. Reg. 26656), as determined by the Secretary; and

7 (2) to build and retrofit distribution systems for ethanol blends, traditional and pipeline
8 biodiesel terminal operations (including rail lines), and home heating oil distribution centers
9 or equivalent entities—

10 (A) to blend biodiesel; and

11 (B) to carry ethanol and biodiesel.

12 (c) Limitation.—The Secretary may not limit the amount of funding an eligible entity may
13 receive under this section.

14 SEC. 12007. USDA ASSISTANCE FOR RURAL ELECTRIC 15 COOPERATIVES.

16 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
17 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
18 \$9,700,000,000, to remain available until September 30, 2031, for the long-term resiliency,
19 reliability, and affordability of rural electric systems, by providing to an eligible entity (defined
20 as an electric cooperative described in section 501(c)(12) or 1381(a)(2) of the Internal Revenue
21 Code of 1986 and is or has been a Rural Utilities Service electric loan borrower pursuant to the
22 Rural Electrification Act of 1936 or serving a predominantly rural area) assistance under
23 paragraphs (1) and (2) by awarding such assistance to eligible entities for purposes described in
24 section 310B(a)(2)(C) of the Consolidated Farm and Rural Development Act (provided that the
25 term renewable energy system in that paragraph has the meaning given such term in section
26 9001(16) of the Farm Security and Rural Investment Act of 2002) **and for carbon capture and
27 storage systems**, that will achieve the greatest reduction in greenhouse gas emissions associated
28 with rural electric systems using such assistance and that will otherwise aid disadvantaged rural
29 communities (as determined by the Secretary), subject to the condition that any construction
30 work completed with amounts provided under this section shall meet the condition described in
31 section 9003(f) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8103(f)),
32 when—

33 (1) making grants and loans (including the cost of loans and modifications thereof) to
34 purchase renewable energy ~~or renewable energy systems~~(as defined in section 9001(15) and
35 ~~(16)~~ of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8101(15) and ~~(16))~~),
36 ~~deploy~~), **purchase renewable energy systems (as defined in section 9001(16) of that Act**
37 **(7 U.S.C. 8101(16))**), **and carbon capture and storage systems, deploy such systems**, or
38 make energy efficiency improvements after the date of enactment of this Act; and

39 (2) making grants for debt relief and other costs associated with terminating, after the
40 date of enactment of this Act or up to one year prior to the date of enactment, the use of—

41 (A) facilities operating on nonrenewable energy; and

1 (B) related transmission assets.

2 (b) Limitation.—No eligible entity may receive an amount equal to more than 10 percent of
3 the total amount made available by this section.

4 (c) Prohibition.—Nothing in this section shall be interpreted to authorize funds of the
5 Commodity Credit Corporation for activities under this section if such funds are not expressly
6 authorized or currently expended for such purposes.

7 SEC. 12008. RURAL PARTNERSHIP PROGRAM.

8 (a) Rural Prosperity Development Grants.—

9 (1) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to
10 the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise
11 appropriated, \$873,000,000, to remain available until September 30, 2031, to provide grants
12 to support rural development under this subsection, subject to the condition that the
13 recipient of a grant under this subsection shall contribute a non-Federal match of 25 percent
14 of the amount of the grant, which may be satisfied through an in-kind contribution, except
15 that the Secretary may waive such matching requirement on a finding that the recipient of
16 the applicable grant is economically distressed.

17 (2) ALLOCATION OF FUNDS.—

18 (A) FORMULA.—The Secretary shall establish a formula pursuant to which the
19 Secretary shall allocate, for each State and for ~~Indian Tribes~~ **Tribal governments**, an
20 amount to be provided under this subsection to eligible applicants described in
21 paragraph (3).

22 (B) REQUIREMENTS.—

23 (i) FORMULA.—The formula established under subparagraph (A) shall include a
24 graduated scale for the amount to be allocated under this subsection for eligible
25 applicants in each State and eligible applicants of ~~Indian Tribes~~ **Tribal**
26 **governments**, with higher amounts provided based on lower populations and
27 lower income levels, as determined by the Secretary.

28 (ii) AWARD.—In awarding grants under this subsection to eligible applicants in
29 each State and eligible applicants of ~~Indian Tribes~~ **Tribal governments**, the
30 Secretary shall give priority to eligible applicants representing a micropolitan
31 statistical area (as defined by the Office of Management and Budget in OMB
32 Bulletin No. 20-01 (effective March 2020) and any subsequent updates) and 1 or
33 more rural areas contiguous to that micropolitan statistical area or eligible
34 applicants representing high poverty areas (as determined by the Secretary)
35 provided that the Secretary may award additional grants or funding under this
36 subsection to implement activities pursuant to a rural development plan upon the
37 Secretary's approval of the recipient's plan and report on the use of each grant
38 provided to the recipient under this subsection.

39 (3) ELIGIBLE APPLICANTS.—The Secretary may make a grant under this subsection to a
40 partnership no member of which has received a grant under subsection (b) and that—

41 (A) is composed of entities representing a region composed of 1 or more rural areas,

1 including—

2 (i) except as provided in subparagraph (B), 1 or more of—

3 (I) a unit of local government;

4 (II) a Tribal government; or

5 (III) an authority, agency, or instrumentality of an entity described in
6 subclauses (I) or (II); and

7 (ii) a qualified nonprofit or for-profit organization, as determined by the
8 Secretary;

9 (B) does not include a member described in subparagraph (A)(i), but demonstrates
10 significant community support sufficient to support a likelihood of success on the
11 proposed projects, as determined by the Secretary; and

12 (C) demonstrates, as determined by the Secretary, cooperation among the members
13 of the partnership necessary to complete comprehensive rural development, through
14 aligning government investment, leveraging nongovernmental resources, building
15 economic resilience, and aiding economic recovery, including in communities
16 impacted by economic transitions and climate change.

17 (4) ELIGIBLE ACTIVITIES.—The use of grant funds provided under this subsection may be
18 used for the following purposes, provided that, where applicable, the performance of any
19 construction work completed with the grant funds shall meet the condition described in
20 section 9003(f) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8103(f)):

21 (A) Conducting comprehensive rural development and pre-development activities
22 and planning.

23 (B) Supporting organizational operating expenses relating to the rural development
24 activities for which the grant was provided.

25 (C) Implementing planned rural development activities and projects.

26 (5) LIMITATION.—Not more than 25 percent of amounts received by a recipient of a grant
27 under this subsection may be used to satisfy a Federal matching requirement.

28 (b) Rural Prosperity Innovation Grants.—In addition to amounts otherwise available, there is
29 appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not
30 otherwise appropriated, \$97,000,000, to remain available until September 30, 2031, to provide
31 grants to entities that have not received a grant under subsection (a) and that is a qualified
32 nonprofit corporation that serves rural areas (as determined by the Secretary) or an institution of
33 higher education that serves rural areas (as determined by the Secretary), subject to the condition
34 that the recipient of such grant shall contribute a non-Federal match of 20 percent of the amount
35 of the grant, which may be used—

36 (1) to support activities of the recipient relating to—

37 (A) development and predevelopment planning aspects of rural development; and

38 (B) organizational capacity-building necessary to support the rural development
39 activities funded by the grant; and

1 (2) to support the recipient of a grant under subsection (a) in carrying out activities for
2 which that grant was provided.

3 (c) Definitions.—In this section:

4 (1) RURAL AREA.—The term “rural area” has the meaning given the term in section
5 343(a)(13)(C) of the Consolidated Farm and Rural Development Act (7 U.S.C.
6 1991(a)(13)(C)).

7 (2) STATE.—The term “State” has the meaning given the term in section 1404 of the
8 National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C.
9 3103).

10 SEC. 12009. ADDITIONAL USDA RURAL DEVELOPMENT 11 ADMINISTRATIVE FUNDS.

12 In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal
13 year 2022, out of any money in the Treasury not otherwise appropriated, \$553,000,000, to
14 remain available until September 30, 2031, for administrative costs and salaries and expenses for
15 the Rural Development mission area and expenses of the agencies and offices of the Department
16 for costs related to implementing this part.

17 PART 2—AGRICULTURAL CREDIT AND OUTREACH

18 SEC. 12101. ASSISTANCE FOR CERTAIN FARM LOAN 19 BORROWERS.

20 Section 1005 of the American Rescue Plan Act of 2021 (Public Law 117–2) is amended to
21 read as follows:

22 “SEC. 1005. ASSISTANCE FOR CERTAIN FARM LOAN 23 BORROWERS.

24 “(a) Appropriations.—In addition to amounts otherwise available, there are appropriated to the
25 Secretary for fiscal year 2022, out of amounts in the Treasury not otherwise appropriated, to
26 remain available until September 30, 2031—

27 “(1) such sums as may be necessary for the cost of payments under subsection (b); and

28 “(2) \$1,020,000,000 to provide payments or loan modifications or otherwise carry out the
29 authorities under section 331(b)(4) of the Consolidated Farm and Rural Development Act (7
30 U.S.C. 1981(b)(4)), using a centralized process administered from the national office, for
31 Farm Service Agency direct loan and loan guarantee borrowers, focusing on borrowers who
32 are at risk (as determined by the Secretary of Agriculture using factors that may include
33 whether the borrower is a limited resource farmer or rancher, the amount of payments
34 received by the borrower during calendar years 2020 and 2021 under the Coronavirus Food
35 Assistance Program of the Department of Agriculture, and other factors, as determined by
36 the Secretary).

37 “(b) Payments.—

1 “(1) IN GENERAL.—The Secretary shall provide a payment in an amount up to 100
2 percent of the outstanding indebtedness of each economically distressed borrower on
3 eligible farm debt.

4 “(2) OTHER PAYMENTS.—

5 “(A) IN GENERAL.—For each farmer and rancher with outstanding indebtedness on
6 eligible farm debt that does not qualify for a payment under paragraph (1), the
7 Secretary shall provide a payment that is equal to, subject to subparagraph (B), the
8 lesser of—

9 “(i) the amount of the outstanding indebtedness of the farmer or rancher on
10 eligible farm debt; and

11 “(ii) \$150,000.

12 “(B) REDUCTION.—A payment determined under subparagraph (A) shall be reduced
13 by the amount equal to the sum obtained by adding—

14 “(i) the total of the payments received by the farmer or rancher during calendar
15 year 2020 pursuant to the Coronavirus Food Assistance Program of the
16 Department of Agriculture; and

17 “(ii) the total of the payments received by the farmer or rancher during calendar
18 years 2018 and 2019 pursuant to the Market Facilitation Program of the
19 Department of Agriculture.

20 “(c) Definitions.—In this section:

21 “(1) ECONOMICALLY DISTRESSED BORROWER.—The term ‘economically distressed
22 borrower’ means a farmer or rancher that, as determined by the Secretary—

23 “(A) was 90 days or more delinquent with respect to an eligible farm debt as of
24 April 30, 2021;

25 “(B) was 90 days or more delinquent with respect to an eligible farm debt as of
26 December 31, 2020;

27 “(C) operates a farm or ranch whose headquarters of operation, as determined by the
28 Secretary, location is—

29 “(i) in a county with a poverty rate of not less than 20 percent, as determined—

30 “(I) in the 1990 or 2000 decennial census; or

31 “(II) in the Small Area Income and Poverty Estimates of the Bureau of the
32 Census for the most recent year for which the Estimates are available as of
33 the date of enactment of the Act entitled ‘An Act to provide for
34 reconciliation pursuant to title II of S. Con. Res. 14’;

35 “(ii) in a ZIP Code with a poverty rate of not less than 20 percent, as
36 determined by the Secretary; or

37 “(iii) on land held in trust by the United States for the benefit of an Indian Tribe
38 or an individual Indian;

39 “(D) owes more interest than principal with respect to an eligible farm debt as of

1 July 31, 2021;

2 “(E) is undergoing bankruptcy or foreclosure or is in other financially distressed
3 categories, as determined by the Secretary, as of July 31, 2021;

4 “(F) received a Department of Agriculture disaster set aside after January 1, 2020;

5 “(G) has restructured an eligible farm debt 3 or more times as of July 31, 2021; or

6 “(H) has restructured an eligible farm debt on or after January 1, 2020.

7 “(2) ELIGIBLE FARM DEBT.—

8 “(A) IN GENERAL.—The term ‘eligible farm debt’ means a debt owed to the United
9 States by a farmer or rancher that was issued as a direct loan administered by the Farm
10 Service Agency under subtitle A, B, or C of the Consolidated Farm and Rural
11 Development Act (7 U.S.C. 1922 through 1970) and was outstanding or otherwise not
12 paid as of December 31, 2020, or July 31, 2021.

13 “(B) AMOUNT.—The amount of eligible farm debt with respect to a borrower shall
14 be equal to the amount of eligible farm debt outstanding as of a date determined by the
15 Secretary, but no sooner than the date of enactment of the Act entitled ‘An Act to
16 provide for reconciliation pursuant to title II of S. Con Res. 14’, plus the total of all
17 loan payments on eligible farm debt made by the borrower in calendar year 2021.

18 “(3) SECRETARY.—The term ‘Secretary’ means the Secretary of Agriculture.

19 “(d) Limitation.—The Secretary shall not enter into any loan agreement pursuant to this
20 section that could result in disbursements after September 30, 2031 or any grant agreement
21 pursuant to this section that could result in any outlays after September 30, 2031.”.

22 SEC. 12102. USDA ASSISTANCE AND SUPPORT FOR 23 UNDERSERVED FARMERS, RANCHERS, AND 24 FORESTERS.

25 Section 1006 of the American Rescue Plan Act of 2021 (Public Law 117–2) is amended to
26 read as follows:

27 “SEC. 1006. USDA ASSISTANCE AND SUPPORT FOR 28 UNDERSERVED FARMERS, RANCHERS, FORESTERS.

29 “(a) Technical and Other Assistance.—In addition to amounts otherwise available, there is
30 appropriated to the Secretary of Agriculture for fiscal year 2022, to remain available until
31 September 30, 2031, out of any money in the Treasury not otherwise appropriated, \$200,000,000
32 to provide outreach, mediation, financial training, capacity building training, cooperative
33 development and agricultural credit training and support, and other technical assistance on issues
34 concerning food, agriculture, agricultural credit, agricultural extension, rural development, or
35 nutrition to underserved farmers, ranchers, or forest landowners, including veterans, limited
36 resource producers, beginning farmers and ranchers, and farmers, ranchers, and forest
37 landowners living in high poverty areas.

38 “(b) Land Loss Assistance.—In addition to amounts otherwise available, there is appropriated

1 to the Secretary of Agriculture for fiscal year 2022, to remain available until September 30,
2 2031, out of any money in the Treasury not otherwise appropriated, \$200,000,000 to provide
3 grants and loans to eligible entities, as determined by the Secretary, to improve land access
4 (including heirs' property and fractionated land issues) for underserved farmers, ranchers, and
5 forest landowners, including veterans, limited resource producers, beginning farmers and
6 ranchers, and farmers, ranchers, and forest landowners living in high poverty areas.

7 “(c) Equity Commissions.—In addition to amounts otherwise available, there is appropriated
8 to the Secretary of Agriculture for fiscal year 2022, to remain available until September 30,
9 2031, out of any money in the Treasury not otherwise appropriated, \$10,000,000 to fund the
10 activities of one or more equity commissions that will address racial equity issues within the
11 Department of Agriculture and the programs of the Department of Agriculture.

12 “(d) Research, Education, and Extension.—In addition to amounts otherwise available, there is
13 appropriated to the Secretary of Agriculture for fiscal year 2022, to remain available until
14 September 30, 2031, out of any money in the Treasury not otherwise appropriated, \$189,000,000
15 to support and supplement agricultural research, education, and extension, as well as
16 scholarships and programs that provide internships and pathways to agricultural sector or Federal
17 employment, ~~at~~ for 1890 Institutions (as defined in section 2 of the Agricultural, Research,
18 Extension, and Education Reform Act of 1998 (7 U.S.C. 7601)), 1994 Institutions (as defined in
19 section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note;
20 Public Law 103–382)), Alaska Native serving institutions and Native Hawaiian serving
21 institutions eligible to receive grants under subsections (a) and (b), respectively, of section
22 1419B of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7
23 U.S.C. 3156), Hispanic-serving institutions eligible to receive grants under section 1455 of the
24 National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3241),
25 and the insular area institutions of higher education located in the territories of the United States,
26 as referred to in section 1489 of the National Agricultural Research, Extension, and Teaching
27 Policy Act of 1977 (7 U.S.C. 3361).

28 “(e) Discrimination Financial Assistance.—In addition to amounts otherwise available, there is
29 appropriated to the Secretary of Agriculture for fiscal year 2022, to remain available until
30 September 30, 2031, out of any money in the Treasury not otherwise appropriated, \$750,000,000
31 for a program to provide financial assistance to farmers, ranchers, or forest landowners
32 determined to have experienced discrimination prior to January 1, 2021, in Department of
33 Agriculture farm lending programs, under which the amount of financial assistance provided to a
34 recipient may be not more than \$500,000 as appropriate in relation to any consequences
35 experienced from the discrimination, which program shall be administered through 1 or more
36 qualified nongovernmental entities selected by the Secretary subject to standards set and
37 enforced by the Secretary, subject to the condition that any selected entity administering the
38 program shall return the funds to the Secretary on the request of the Secretary if the standards are
39 not adequately carried out or the administration of the program is not otherwise sufficient or if
40 any funds provided to the selected entity are not distributed on the date that is 5 years after the
41 date of enactment of the Act entitled ‘An Act to provide for reconciliation pursuant to title II of
42 S. Con. Res. 14’, and any such returned funds shall be available for obligation for any activity
43 authorized under this section, except subsections (c) and (f).

44 “(f) Administrative Costs.—In addition to amounts otherwise available, there is appropriated
45 to the Secretary of Agriculture for fiscal year 2022, to remain available until September 30,

1 2031, out of any money in the Treasury not otherwise appropriated, \$35,000,000 for
2 administrative costs, including training employees, of the agencies and offices of the Department
3 of Agriculture to carry out this section.

4 “(g) Limitation.—The funds made available under subsection (d) are subject to the condition
5 that the Secretary shall not—

6 “(1) enter into any agreement—

7 “(A) that is for a term extending beyond September 30, 2031; or

8 “(B) under which any payment could be outlaid or funds disbursed after September
9 30, 2031; or

10 “(2) use any other funds available to the Secretary to satisfy obligations initially made
11 under subsection (d).”.

12 Subtitle D—Research and Urban Agriculture

13 SEC. 13001. DEPARTMENT OF AGRICULTURE

14 RESEARCH FUNDING.

15 (a) Appropriations.—In addition to amounts otherwise available, there are appropriated to the
16 Secretary, out of any money in the Treasury not otherwise appropriated, to remain available until
17 September 30, 2031—

18 (1) to the National Agricultural Statistics Service, ~~-\$5,000,000 for fiscal year 2022~~, for
19 measurements, a survey, and data collection to conduct the study required under section
20 7212(b) of the Agriculture Improvement Act of 2018 (Public Law 115–334; 132 Stat.
21 4812), which shall be completed not later than December 31, 2022, **\$5,000,000 for fiscal**
22 **year 2022;**

23 (2) to the National Institute of Food and Agriculture—

24 (A) to fund agricultural education, extension, and research relating to climate
25 change—

26 (i) through the Agriculture and Food Research Initiative established by
27 subsection (b) of the Competitive, Special, and Facilities Research Grant Act (7
28 U.S.C. 3157(b)), \$210,000,000 for fiscal year 2022;

29 (ii) through the sustainable agriculture research education program established
30 under sections 1619, 1621, 1622, 1628, and 1629 of the Food, Agriculture,
31 Conservation, and Trade Act of 1990 (7 U.S.C. 5801, 5811, 5812, 5831, 5832),
32 \$120,000,000 for fiscal year 2022;

33 (iii) through the organic agriculture research and extension initiative
34 established under section 1672B of the Food, Agriculture, Conservation, and
35 Trade Act of 1990 (7 U.S.C. 5925b), \$60,000,000 for fiscal year 2022;

36 (iv) through the urban, indoor, and other emerging agricultural production
37 research, education, and extension initiative established under section 1672E of
38 the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925g),

1 \$5,000,000 for fiscal year 2022;

2 (v) through the centers of excellence led by 1890 Institutions established under
3 section 1673(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7
4 U.S.C. 5926(d)), \$5,000,000 for fiscal year 2022;

5 (vi) through the specialty crop research and extension initiative established by
6 section 412 of the Agricultural Research, Extension, and Education Reform Act
7 of 1998 (7 U.S.C. 7632), \$60,000,000 for fiscal year 2022;

8 (vii) through the cooperative extension under the Smith-Lever Act (7 U.S.C.
9 341 through 349) for agricultural extension activities and research relating to
10 climate change, technical assistance, and technology adoption, \$80,000,000 for
11 fiscal year 2022;

12 (viii) through the cooperative extension at 1994 Institutions in accordance with
13 section 3(b)(3) of the Smith-Lever Act (7 U.S.C. 343(b)(3)), \$35,000,000 for
14 fiscal year 2022; and

15 (ix) through the cooperative extension at 1890 Institutions under section 1444
16 of the National Agricultural Research, Extension, and Teaching Policy Act of
17 1977 (7 U.S.C. 3221), \$40,000,000 for fiscal year 2022;

18 (B) ~~\$1,000,000,000 for fiscal year 2022~~, for grants to covered institutions for
19 construction, alteration, acquisition, modernization, renovation, or remodeling of
20 agricultural research facilities, including related building costs associated with
21 compliance with applicable Federal and State law, under section 4 of the Research
22 Facilities Act (7 U.S.C. 390b), **\$1,000,000,000 for fiscal year 2022**, subject to the
23 condition that notwithstanding section 3(c)(2)(A) of that Act (7 U.S.C. 390a(c)(2)(A)),
24 the recipient of a grant provided using those amounts shall not be required to provide
25 any non-Federal share of total funding provided under this subparagraph;

26 (C) for the scholarships for students at 1890 Institutions grant program under section
27 1446 of the National Agricultural Research, Extension, and Teaching Policy Act of
28 1977 (7 U.S.C. 3222a), \$100,000,000 for fiscal year ~~2024~~; **2022, to carry out such**
29 **program in fiscal years 2024 through 2031**;

30 ~~(D) \$15,000,000 for fiscal year 2022~~, (D) for grants to land-grant colleges and
31 universities to support Tribal students under section 1450 of that Act (7 U.S.C. 3222e),
32 **\$15,000,000 for fiscal year 2022**, and for purposes of this subparagraph, section
33 1450(b)(4) of such Act shall not apply; and

34 (E) ~~\$15,000,000 for fiscal year 2022~~, for the Higher Education Multicultural
35 Scholars Program carried out pursuant to section 1417 of that Act (7 U.S.C. 3152),
36 **\$15,000,000 for fiscal year 2022**;

37 (3) to the Office of the Chief Scientist, to carry out advanced research and development
38 relating to climate through the Agriculture Advanced Research and Development Authority
39 under section 1473H of the National Agricultural Research, Extension, and Teaching Policy
40 Act of 1977 (7 U.S.C. 3319k), \$30,000,000 for fiscal year 2022;

41 (4) to the Foundation for Food and Agriculture Research, to carry out activities relating to
42 climate change in accordance with section 7601 of the Agricultural Act of 2014 (7 U.S.C.

1 5939), to be considered as provided pursuant to subsection (g)(1)(A) of such section,
2 \$210,000,000 for fiscal year 2022;

3 (5) to the Office of Urban Agriculture and Innovative Production, ~~\$10,000,000 for fiscal-~~
4 ~~year 2022~~, to carry out activities in accordance with section 222 of the Department of
5 Agriculture Reorganization Act of 1994 (7 U.S.C. 6923), **\$10,000,000 for fiscal year 2022.**

6 (b) Definitions.—In this section:

7 (1) COVERED INSTITUTION.—The term “covered institution” means—

8 (A) an 1890 Institution (as defined in section 2 of the Agricultural Research,
9 Extension, and Education Reform Act of 1998 (7 U.S.C. 7601));

10 (B) a 1994 Institution (as defined in section 532 of the Equity in Educational
11 Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382));

12 (C) an Alaska Native serving institution or Native Hawaiian serving institution
13 eligible to receive grants under subsections (a) and (b), respectively, of section 1419B
14 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7
15 U.S.C. 3156);

16 (D) Hispanic-serving agricultural colleges and universities and Hispanic-serving
17 institutions (as those terms are defined in section 1404 of the National Agricultural
18 Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103));

19 (E) an eligible institution (as defined in section 1489 of the National Agricultural
20 Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3361) (relating to
21 institutions of higher education in insular areas)); and

22 (F) the University of the District of Columbia established pursuant to the Act of July
23 2, 1862 (commonly known as the “First Morrill Act”) (7 U.S.C. 301 through 309).

24 (2) STATE.—The term “State” has the meaning given the term in section 1404 of the
25 National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C.
26 3103).

27 SEC. 13002. LIMITATION.

28 The funds made available under this subtitle are subject to the condition that the Secretary
29 shall not—

30 (1) enter into any agreement—

31 (A) that is for a term extending beyond September 30, 2031; or

32 (B) under which any payment could be outlaid or funds disbursed after September
33 30, 2031; or

34 (2) use any other funds available to the Secretary to satisfy obligations initially made
35 under this subtitle.

36 Subtitle E—Miscellaneous

37 SEC. 14001. ADDITIONAL SUPPORT FOR USDA OFFICE

1 **OF THE INSPECTOR GENERAL.**

2 In addition to amounts otherwise made available, there is appropriated to the Office of the
3 Inspector General of the Department of Agriculture for fiscal year 2022, out of any money in the
4 Treasury not otherwise appropriated, \$5,000,000 to remain available until September 30, 2031,
5 for audits, investigations, and other oversight activities of projects and activities carried out with
6 funds made available to the Department of Agriculture under this title.

7 **SEC. 14002. ADDITIONAL SUPPORT FOR FARMWORKER**
8 **AND FOOD WORKER RELIEF GRANT PROGRAM.**

9 In addition to amounts otherwise available, there is appropriated to the Secretary of
10 Agriculture for fiscal year 2022 to remain available until September 30, 2031, out of any money
11 in the Treasury not otherwise appropriated, \$200,000,000 to provide additional funds to the
12 Secretary for the Farmworker and Food Worker Relief Grant Program of the Agricultural
13 Marketing Service to provide additional COVID–19 assistance relief payments for frontline
14 grocery workers.

15 **Subtitle F—Conservation**

16 **SEC. 15001. SOIL CONSERVATION ASSISTANCE.**

17 (a) Appropriation.—In addition to amounts otherwise available, there are appropriated to the
18 Secretary of Agriculture (referred to in this section as the “Secretary”) for each of fiscal years
19 2022 through 2028, out of any money in the Treasury not otherwise appropriated, such sums as
20 are necessary to carry out this section, to remain available until expended, subject to the
21 conditions that, for purposes of providing payments under subsections (b), (c), and (d), the
22 Secretary shall not—

23 (1) enter into any agreement—

24 (A) that is for a term extending beyond September 30, 2031; or

25 (B) under which any payment could be outlaid or funds disbursed after September
26 30, 2031;

27 (2) use any other funds available to the Secretary to satisfy obligations initially made
28 under this section; or

29 (3) interpret this section to authorize funds of the Commodity Credit Corporation for such
30 payments if such funds are not expressly authorized or currently expended for such
31 purposes.

32 (b) Availability of Payments to Producers.—

33 (1) IN GENERAL.—Of the funds made available under subsection (a), for each of the 2022
34 through 2026 crop years, the Secretary shall make payments to the producers on a farm for
35 which the producer establishes 1 or more cover crop practices with respect to the applicable
36 crop year, as determined by the Secretary, in accordance with this subsection, subject to the
37 condition that a producer receiving a payment shall not receive a payment under any other
38 provision of law for the same practices on the same acres.

1 (2) PAYMENT RATE.—The payment rate used to make payments with respect to a
2 producer who establishes 1 or more cover crop practices under paragraph (1) shall be \$25
3 per acre of cover crop established.

4 (3) ACRES ESTABLISHED.—The acres for which a producer receives the payment rate
5 under paragraph (2) shall be equal to the total number of acres on which the producer
6 establishes 1 or more cover crop practices, not to exceed 1,000 acres per producer.

7 (c) Availability of Payments to Farm Owners.—

8 (1) IN GENERAL.—Of the funds made available under subsection (a), for each of the 2022
9 through 2026 crop years, the Secretary shall make payments to the owners of a farm with
10 respect to which a producer establishes 1 or more cover crop practices pursuant to
11 subsection (b), in accordance with this subsection, subject to the condition that an owner of
12 a farm may not receive a payment under this subsection and subsection (b) for the same
13 farm or acres, as determined by the Secretary.

14 (2) PAYMENT RATE.—The payment rate used to make payments under paragraph (1) with
15 respect to the owner of a farm shall be \$5 per acre of cover crop established.

16 (3) ACRES ESTABLISHED.—The acres for which the owner of a farm receives the payment
17 rate under paragraph (2) shall be equal to the total number of acres for which the applicable
18 producer establishes 1 or more cover crop practices, not to exceed 1,000 acres per owner.

19 (d) Availability of Payments for Prevented Planting.—

20 (1) IN GENERAL.—Of the funds made available under subsection (a) and in addition to
21 any other payments or assistance, for the 2022 through 2026 crop years, the Secretary shall
22 make payments in accordance with this subsection to producers on farms who establish 1 or
23 more cover crop practices pursuant to subsection (b).

24 (2) REQUIREMENTS.—To receive a payment under this subsection, a producer—

25 (A) shall have—

26 (i) purchased a crop insurance policy or plan of insurance under section 508(c)
27 of the Federal Crop Insurance Act (7 U.S.C. 1508(c)) for the applicable crop year
28 following the establishment of the cover crop practice, as determined by the
29 Secretary;

30 (ii) established a cover crop practice pursuant to subsection (b) on the farm for
31 which the insurance described in clause (i) was purchased, as determined by the
32 Secretary; and

33 (iii) been unable to plant the crop for which insurance was purchased; and

34 (B) as determined by the Secretary, shall not—

35 (i) harvest the cover crop for market or sale;

36 (ii) harvest the cover crop for seed for purposes of marketing or sale, except
37 that a quantity may be harvested for seed for on-farm usage only; or

38 (iii) otherwise use the acres for which payments are received under this
39 subsection for any unapproved uses or other uses that seek to defeat or undermine
40 the purposes of this section.

1 (3) PAYMENT AMOUNT.—The Secretary shall make payments to producers under this
2 subsection in an amount equal to the product obtained by multiplying—

3 (A) the total number of acres for which the producer is eligible to receive a payment
4 under this subsection; and

5 (B) the difference between—

6 (i) 100 percent of the prevented planting guarantee, calculated without regard to
7 the establishment of the cover crop practices pursuant to subsection (b),
8 applicable for the insurance policy purchased by the producer under section 508A
9 of the Federal Crop Insurance Act (7 U.S.C. 1508a), as determined by the
10 Secretary; and

11 (ii) the prevented planting indemnity payment received by the producer under
12 that section and the policy purchased by the producer for the applicable crop, as
13 determined by the Secretary.

14 SEC. 15002. ADDITIONAL AGRICULTURAL 15 CONSERVATION INVESTMENTS.

16 (a) Appropriations.—In addition to amounts otherwise available (and subject to subsection
17 (b)), there are appropriated to the Secretary of Agriculture (referred to in this section as the
18 “Secretary”), out of any money in the Treasury not otherwise appropriated, to remain available
19 until September 30, 2031 (subject to the condition that no such funds may be disbursed after
20 September 30, 2031)—

21 (1) to carry out, using the facilities and authorities of the Commodity Credit Corporation,
22 the environmental quality incentives program under subchapter A of chapter 4 of subtitle D
23 of title XII of the Food Security Act of 1985 (16 U.S.C. 3839aa through 3839aa–8)—

24 (A)(i) \$300,000,000 for fiscal year 2022;

25 (ii) \$500,000,000 for fiscal year 2023;

26 (iii) \$1,750,000,000 for fiscal year 2024;

27 (iv) \$3,000,000,000 for fiscal year 2025; and

28 (v) \$3,450,000,000 for fiscal year 2026; and

29 (B) subject to the conditions on the use of the funds that—

30 (i) section 1240B(f)(1) of the Food Security Act of 1985 (16 U.S.C.
31 3839aa–2(f)(1)) shall not apply;

32 (ii) section 1240H(c)(2) of the Food Security Act of 1985 (16 U.S.C.
33 3839aa–8(c)(2)) shall be applied—

34 (I) by substituting “\$50,000,000” for “\$25,000,000”; and

35 (II) with the Secretary prioritizing proposals that utilize diet and feed
36 management to reduce enteric methane emissions from ruminants;

37 (iii) the funds shall be available for 1 or more agricultural conservation
38 practices or enhancements that the Secretary determines directly improve soil

1 carbon or reduce nitrogen losses or greenhouse gas emissions, or capture or
2 sequester greenhouse gas emissions, associated with agricultural production; and

3 (iv) the Secretary shall prioritize projects and activities that mitigate or address
4 climate change through the management of agricultural production, including by
5 reducing or avoiding greenhouse gas emissions;

6 (2) to carry out, using the facilities and authorities of the Commodity Credit Corporation,
7 the conservation stewardship program under subchapter B of that chapter (16 U.S.C.
8 3839aa–21 through 3839aa–25)—

9 (A)(i) \$250,000,000 for fiscal year 2022;

10 (ii) \$500,000,000 for fiscal year 2023;

11 (iii) \$850,000,000 for fiscal year 2024;

12 (iv) \$1,000,000,000 for fiscal year 2025; and

13 (v) \$1,500,000,000 for fiscal year 2026; and

14 (B) subject to the conditions on the use of the funds that—

15 (i) the funds shall only be available for—

16 (I) 1 or more agricultural conservation practices or enhancements that the
17 Secretary determines directly improve soil carbon or reduce nitrogen losses
18 or greenhouse gas emissions, or capture or sequester greenhouse gas
19 emissions, associated with agricultural production; or

20 (II) State-specific or region-specific groupings or bundles of agricultural
21 conservation activities for climate change mitigation appropriate for
22 cropland, pastureland, rangeland, nonindustrial private forest land, and
23 producers transitioning to organic or perennial production systems; and

24 (ii) the Secretary shall prioritize projects and activities that mitigate or address
25 climate change through the management of agricultural production, including by
26 reducing or avoiding greenhouse gas emissions;

27 (3) to carry out, using the facilities and authorities of the Commodity Credit Corporation,
28 the agricultural conservation easement program under subtitle H of title XII of that Act (16
29 U.S.C. 3865 through 3865d)—

30 (A)(i) \$100,000,000 for fiscal year 2022;

31 (ii) \$200,000,000 for fiscal year 2023;

32 (iii) \$300,000,000 for fiscal year 2024;

33 (iv) \$500,000,000 for fiscal year 2025; and

34 (v) \$600,000,000 for fiscal year 2026; and

35 (B) subject to the condition on the use of the funds that the Secretary shall prioritize
36 projects and activities that mitigate or address climate change through the management
37 of agricultural production, including by reducing or avoiding greenhouse gas
38 emissions; and

1 (4) to carry out, using the facilities and authorities of the Commodity Credit Corporation,
2 the regional conservation partnership program under subtitle I of title XII of that Act (16
3 U.S.C. 3871 through 3871f)—

- 4 (A)(i) \$200,000,000 for fiscal year 2022;
5 (ii) \$500,000,000 for fiscal year 2023;
6 (iii) \$1,500,000,000 for fiscal year 2024;
7 (iv) \$2,250,000,000 for fiscal year 2025; and
8 (v) \$3,050,000,000 for fiscal year 2026; and

9 (B) subject to the conditions on the use of the funds that the Secretary—

10 (i) shall prioritize partnership agreements under section 1271C(d) of the Food
11 Security Act of 1985 (16 U.S.C. 3871c(d)) that support the implementation of
12 conservation projects that assist agricultural producers and nonindustrial private
13 forestland owners in directly improving soil carbon or reducing nitrogen losses or
14 greenhouse gas emissions, or capturing or sequestering greenhouse gas emissions,
15 associated with agricultural production;

16 (ii) shall prioritize projects and activities that mitigate or address climate
17 change through the management of agricultural production, including by reducing
18 or avoiding greenhouse gas emissions; and

19 (iii) may prioritize projects that—

20 (I) leverage corporate supply chain sustainability commitments; or

21 (II) utilize models that pay for outcomes from targeting methane and
22 nitrous oxide emissions associated with agricultural production systems.

23 (b) Conditions.—The funds made available under this section are subject to the conditions that
24 the Secretary shall not—

25 (1) enter into any agreement—

26 (A) that is for a term extending beyond September 30, 2031; or

27 (B) under which any payment could be outlaid or funds disbursed after September
28 30, 2031; or

29 (2) use any other funds available to the Secretary to satisfy obligations initially made
30 under this section.

31 (c) Conforming Amendments.—

32 (1) Section 1240B of the Food Security Act of 1985 (16 U.S.C. 3839aa–2) is amended—

33 (A) in subsection (a), by striking “2023” and inserting “2031”; and

34 (B) in subsection (f)(2)(B)—

35 (i) in the subparagraph heading, by striking “2023” and inserting “2031”; and

36 (ii) by striking “2023” and inserting “2031”.

1 (2) Section 1240H of the Food Security Act of 1985 (16 U.S.C. 3839aa–8) is amended by
2 striking “2023” each place it appears and inserting “2031”.

3 (3) Section 1240J(a) of the Food Security Act of 1985 (16 U.S.C. 3839aa–22(a)) is
4 amended, in the matter preceding paragraph (1), by striking “2023” and inserting “2031”.

5 (4) Section 1240L(h)(2)(A) of the Food Security Act of 1985 (16 U.S.C.
6 3839aa–24(h)(2)(A)) is amended by striking “2023” and inserting “2031”.

7 (5) Section 1241 of the Food Security Act of 1985 (16 U.S.C. 3841) is amended—

8 (A) in subsection (a)—

9 (i) in the matter preceding paragraph (1), by striking “2023” and inserting
10 “2031”;

11 (ii) in paragraph (1), by striking “2023” each place it appears and inserting
12 “2031”;

13 (iii) in paragraph (2)(F), by striking “2023” and inserting “2031”; and

14 (iv) in paragraph (3), by striking “fiscal year 2023” each place it appears and
15 inserting “each of fiscal years 2023 through 2031”;

16 (B) in subsection (b), by striking “2023” and inserting “2031”; and

17 (C) in subsection (h)—

18 (i) in paragraph (1)(B), in the subparagraph heading, by striking “2023” and
19 inserting “2031”; and

20 (ii) by striking “2023” each place it appears and inserting “2031”.

21 (6) Section 1244(n)(3)(A) of the Food Security Act of 1985 (16 U.S.C. 3844(n)(3)(A)) is
22 amended by striking “2023” and inserting “2031”.

23 (7) Section 1271D(a) of the Food Security Act of 1985 (16 U.S.C. 3871d(a)) is amended
24 by striking “2023” and inserting “2031”.

25 SEC. 15003. CONSERVATION TECHNICAL ASSISTANCE.

26 (a) Appropriations.—In addition to amounts otherwise available (and subject to subsection
27 (b)), there are appropriated to the Secretary of Agriculture (referred to in this section as the
28 “Secretary”) for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
29 to remain available until September 30, 2031 (subject to the condition that no such funds may be
30 disbursed after September 30, 2031)—

31 (1) \$200,000,000 to provide conservation technical assistance through the Natural
32 Resources Conservation Service;

33 (2) \$50,000,000 to carry out climate change adaptation and mitigation activities through
34 the Natural Resources Conservation Service by working with the Regional Climate Hubs
35 designed to provide information and technical support on climate smart agriculture and
36 forestry to agricultural producers, landowners, and resource managers, as determined by the
37 Secretary; and

38 (3) \$600,000,000 to carry out a carbon sequestration and greenhouse gas emissions

1 quantification program through which the Natural Resources Conservation Service,
2 including through technical service providers and other partners, shall collect field-based
3 data to assess the carbon sequestration and greenhouse gas emissions reduction outcomes
4 associated with activities carried out pursuant to this section and use the data to monitor and
5 track greenhouse gas emissions and carbon sequestration trends through the Greenhouse
6 Gas Inventory and Assessment Program of the Department of Agriculture.

7 (b) Conditions.—The funds made available under this section are subject to the conditions that
8 the Secretary shall not—

9 (1) enter into any agreement—

10 (A) that is for a term extending beyond September 30, 2031; or

11 (B) under which any payment could be outlaid or funds disbursed after September
12 30, 2031;

13 (2) use any other funds available to the Secretary to satisfy obligations initially made
14 under this section; or

15 (3) interpret this section to authorize funds of the Commodity Credit Corporation for
16 activities under this section if such funds are not expressly authorized or currently expended
17 for such purposes.

18 (c) Administrative Costs.—In addition to amounts otherwise available, there is appropriated to
19 the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
20 \$100,000,000, to remain available until September 30, 2028, for administrative costs of the
21 agencies and offices of the Department of Agriculture for costs related to implementing this
22 section.

House Office of Legislative Counsel

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1 This redlined draft, generated by CompareRite (TM) - The Instant Redliner, shows the
2 differences between -
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6 CompareRite found 238 change(s) and 6 move(s) in the text
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8 Deletions appear as Overstrike text
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1
2 TITLE II—COMMITTEE ON EDUCATION AND LABOR
3 Subtitle A—Education Matters
4 PART 1—ELEMENTARY AND SECONDARY EDUCATION
5 SEC. 20001. GROW YOUR OWN PROGRAMS.

6 (a) Appropriations.—In addition to amounts otherwise available, there is appropriated to the
7 Department of Education for fiscal year 2022, out of any money in the Treasury not otherwise
8 appropriated, \$112,684,000, to remain available through September 30, 2025, to award grants for
9 the development and support of Grow Your Own Programs, as described in section 202(g) of the
10 Higher Education Act of 1965.

11 (b) In General.—Section 202 of the Higher Education Act of 1965 is amended—

12 (1) in subsection (b)(6)(C), by striking “subsection (f) or (g)” and inserting “subsection
13 (f) or (h)”;

14 (2) in subsection (c)(1), by inserting “a Grow Your Own program under subsection (g),”
15 after “subsection (e),”;

16 (3) by redesignating subsections (g), (h), (i), (j), and (k), as subsections (h), (i), (j), (k),
17 and (l), respectively; and

18 (4) by inserting after subsection (f) the following:

19 “(g) Partnership Grants for the Establishment of ‘Grow Your Own’ Programs.—

20 “(1) IN GENERAL.—An eligible partnership that receives a grant under this section shall
21 carry out an effective ‘Grow Your Own’ program to address shortages of teachers in
22 high-need subjects, fields, schools, and geographic areas, or shortages of school leaders in
23 high-need schools, and to increase the diversity of qualified individuals entering into the
24 teacher, principal, or other school leader workforce.

25 “(2) REQUIREMENTS OF A GROW YOUR OWN PROGRAM.—In addition to carrying out each
26 of the activities described in paragraphs (1) through (6) of subsection (d), an eligible
27 partnership carrying out a Grow Your Own program under this subsection shall—

28 “(A) integrate courses on education topics with a year-long school-based clinical
29 experience in which candidates teach or lead alongside an expert mentor teacher or
30 school leader who is the teacher or school leader of record in the same local
31 educational agencies in which the candidates expect to work;

32 “(B) provide opportunities for candidates to practice and develop teaching skills or
33 school leadership skills;

34 “(C) support candidates as they complete their associate (in furtherance of their
35 baccalaureate), baccalaureate, or master’s degree or earn their teaching or school
36 leadership credential;

37 “(D) work to provide academic, counseling, and programmatic supports to

1 candidates;

2 “(E) provide academic and nonacademic supports, including advising and financial
3 assistance, to candidates to enter and complete teacher or school leadership preparation
4 programs, to access and complete State licensure exams, and to engage in school-based
5 clinical placements;

6 “(F) include efforts to recruit individuals with experience in high-need subjects or
7 fields who are not certified to teach or lead, with a specific focus on recruiting
8 individuals—

9 “(i) from groups or populations that are underrepresented; and

10 “(ii) who live in and come from the communities the schools serve; and

11 “(G) require candidates to complete all State requirements to become fully
12 certified.”.

13 **SEC. 20002. TEACHER RESIDENCIES.**

14 In addition to amounts otherwise available, there is appropriated to the Department of
15 Education for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
16 \$112,266,000, to remain available through September 30, 2025, to award grants for the
17 development and support of high-quality teaching residency programs, as described in section
18 202(e) of the Higher Education Act of 1965 (20 U.S.C. 1022a(e)), except that amounts available
19 under this section shall also be available for residency programs for prospective teachers in a
20 bachelor’s degree program.

21 **SEC. 20003. SUPPORT SCHOOL PRINCIPALS.**

22 In addition to amounts otherwise available, there is appropriated to the Department of
23 Education for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
24 \$112,266,000, to remain available through September 30, 2025, to award grants for the
25 development and support of school leadership programs, as described in section 2243 of the
26 Elementary and Secondary Education Act of 1965 (20 U.S.C. 6673).

27 **SEC. 20004. HAWKINS.**

28 In addition to amounts otherwise available, there is appropriated to the Department of
29 Education for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
30 \$112,266,000, to remain available through September 30, 2025, to award grants for the Augustus
31 F. Hawkins Centers of Excellence Program, as described in section 242 of the Higher Education
32 Act of 1965 (20 U.S.C. 1033a).

33 **SEC. 20005. FUNDING FOR THE INDIVIDUALS WITH** 34 **DISABILITIES EDUCATION PART D PERSONNEL** 35 **DEVELOPMENT.**

36 In addition to amounts otherwise available, there is appropriated to the Department of
37 Education for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
38 \$160,776,000, to remain available until September 30, 2025, for personnel development

1 described in section 662 of the Individuals with Disabilities Education Act (20 U.S.C. 1462).

2 **SEC. 20006. GRANTS FOR NATIVE AMERICAN**
3 **LANGUAGE TEACHERS AND EDUCATORS.**

4 The Native American Programs Act of 1974 is amended by inserting after section 803C the
5 following:

6 **“SEC. 803D. GRANTS FOR NATIVE AMERICAN**
7 **LANGUAGE TEACHERS AND EDUCATORS.**

8 “(a) In General.—In addition to amounts otherwise available, there is appropriated for fiscal
9 year 2022, out of any money in the Treasury not otherwise appropriated, to remain available
10 until September 30, 2031, \$200,000,000 for the Secretary, in carrying out section 803C, to award
11 grants to carry out activities relating to preparing, training, and offering professional
12 development to Native American language teachers and Native American language early
13 childhood educators to ensure the survival and continuing vitality of Native American languages.

14 “(b) Cost Share Prohibition.—The Secretary shall not impose a cost sharing or matching fund
15 requirement with respect to grants awarded under subsection (a).”.

16 **PART 2—HIGHER EDUCATION**

17 **SEC. 20021. INCREASING THE MAXIMUM FEDERAL**
18 **PELL GRANT.**

19 (a) Award Year 2022–2023.—Section 401(b)(7) of the Higher Education Act of 1965 is
20 amended—

21 (1) in subparagraph (A)(iii), by inserting “and such sums as may be necessary for fiscal
22 year 2022 to carry out the \$550 increase for enrollment at institutions of higher education
23 defined in section 101 or 102(a)(1)(B) provided under subparagraph (C)(iii)” before “; and”;
24 and

25 (2) in subparagraph (C)(iii), by inserting before the period at the end the following: “,
26 except that, for award year 2022–2023, such amount shall be equal to the amount
27 determined under clause (ii) for award year 2017–2018, increased by \$550 for enrollment at
28 institutions of higher education defined in section 101 or 102(a)(1)(B)”.

29 (b) Subsequent Award Years Through 2025–2026.—Section 401(b) of the Higher Education
30 Act of 1965, as amended by section 703 of the FAFSA Simplification Act (title VII of division
31 FF of Public Law 116–260), is amended—

32 (1) in paragraph (5)(A)—

33 (A) in clause (i), by striking “and” after the semicolon;

34 (B) by redesignating clause (ii) as clause (iii); and

35 (C) by inserting after clause (i) the following:

36 “(ii) for each of award years 2023–2024 through 2025–2026, an additional

1 \$550 for enrollment at institutions of higher education defined in section 101 or
2 102(a)(1)(B); and”; and
3 (2) in paragraph (6)(A)—
4 (A) in clause (i)—
5 (i) by striking “appropriated) such” and inserting the following:
6 “appropriated)—
7 “(I) such”; and
8 (ii) by adding at the end the following:
9 “(II) such sums as are necessary to carry out paragraph (5)(A)(ii) for each
10 of fiscal years 2023 through 2025; and”; and
11 (B) in clause (ii), by striking “(5)(A)(ii)” and inserting “(5)(A)(iii)”.

12 **SEC. 20022. EXPANDING FEDERAL STUDENT AID** 13 **ELIGIBILITY.**

14 Section 484(a)(5) of the Higher Education Act of 1965 is amended by inserting “, or, with
15 respect to any grant, loan, or work assistance received under this title for award years 2022–2023
16 through 2029–2030, be subject to a grant of deferred enforced departure or have deferred action
17 pursuant to the Deferred Action for Childhood Arrivals policy of the Secretary of Homeland
18 Security or temporary protected status” after “becoming a citizen or permanent resident”.

19 **SEC. 20023. INCREASE IN PELL GRANTS FOR** 20 **RECIPIENTS OF MEANS-TESTED BENEFITS.**

21 Section 473 of the Higher Education Act of 1965, as amended by section 702(b) of the
22 FAFSA Simplification Act (title VII of division FF of Public Law 116–260), is amended by
23 adding at the end the following:

24 “(d) Special Rule for Means-tested Benefit Recipients.—During award years 2024–2025
25 through 2029–2030, and notwithstanding subsection (b), for an applicant (or, as applicable, an
26 applicant and spouse, or an applicant’s parents) who is not described in subsection (c) and who,
27 at any time during the previous 24-month period, received a benefit under a means-tested Federal
28 benefit program (or whose parent or spouse received such a benefit, as applicable) described in
29 clauses (i) through (vi) of section 479(b)(4)(H), the Secretary shall for the purposes of this title
30 consider the student aid index as equal to –\$1,500 for the applicant.”.

31 **SEC. 20024. RETENTION AND COMPLETION GRANTS.**

32 Title VII of the Higher Education Act of 1965 is amended by adding at the end the following:

33 **“PART F—RETENTION AND COMPLETION GRANTS**

34 **“SEC. 791. RETENTION AND COMPLETION GRANTS.**

35 “(a) In General.—From amounts appropriated to carry out this section for a fiscal year, the
36 Secretary shall carry out a program to make grants (which shall be known as ‘retention and

1 completion grants’) to eligible entities to enable the such entities to carry out the activities
2 described in the applications submitted under subsection (b).

3 “(b) Application.—To be eligible to receive a grant under this section, an eligible entity shall
4 submit an application to the Secretary that includes a description of—

5 “(1) how the eligible entity will use the funds to implement or expand evidence-based
6 reforms or practices to improve student outcomes at institutions of higher education in the
7 State or system of institutions of higher education, or at the Tribal College or University, as
8 applicable; and

9 “(2) how the eligible entity will sustain such reforms or practices after the grant period.

10 “(c) Priority.—In awarding grants under this section to eligible entities, the Secretary shall
11 give priority to eligible entities that propose to use a significant share of grant funds to, among
12 students of color, low-income students, students with disabilities, students in need of
13 remediation, first generation college students, student parents, and other underserved student
14 populations in such eligible entity, improve enrollment, retention, transfer, or completion rates or
15 labor market outcomes.

16 “(d) Adequate Progress.—As a condition of continuing to receive funds under this section, for
17 each year in which an eligible entity participates in the program under this section, such eligible
18 entity shall demonstrate to the satisfaction of the Secretary that the entity has made adequate
19 progress in implementing or expanding evidence-based reforms or practices, and, among
20 students of color, low-income students, students with disabilities, students in need of
21 remediation, first generation college students, student parents, and other underserved student
22 populations in such eligible entity, improving enrollment, retention, transfer, or completion rates
23 or labor market outcomes.

24 “(e) Matching Requirement.—As a condition of receiving a grant under this section for the
25 applicable year described in paragraphs (1) through (3), an eligible entity that is not a Tribal
26 College or University shall provide matching funds for such applicable year toward the cost of
27 the activities described in the application submitted under subsection (b). Such matching funds
28 shall be in the amount of—

29 “(1) in the second year of a grant, not less than 10 percent of the grant amount awarded to
30 such eligible entity for such year;

31 “(2) in the third year of a grant, not less than 15 percent of the grant amount awarded to
32 such eligible entity for such year; and

33 “(3) in the fourth year and each subsequent year of a grant, not less than 20 percent of the
34 grant amount awarded to such eligible entity for such year.

35 “(f) General Requirement.—An eligible entity shall use a grant under this section only to carry
36 out activities described in the application for such year under subsection (b).

37 “(g) Evidence-based Reforms or Practices.—An eligible entity receiving a grant under this
38 section shall, directly or in collaboration with institutions of higher education and other
39 non-profit organizations, use the grant funds to implement one or more of the following
40 evidence-based reforms or practices:

41 “(1) Providing comprehensive academic, career, and student support services, including

1 mentoring, advising, or case management services.

2 “(2) Providing assistance in applying for and accessing direct support services, financial
3 assistance, or means-tested benefit programs to meet the basic needs of students.

4 “(3) Providing accelerated learning opportunities, including dual or concurrent
5 enrollment programs and early college high school programs.

6 “(4) Reforming remedial or developmental education, course scheduling, or
7 credit-awarding policies.

8 “(5) Improving transfer pathways between—

9 “(A) in the case of an eligible entity that is a State, community colleges and 4-year
10 institutions of higher education in the State;

11 “(B) in the case of an eligible entity that is a system of institutions of higher
12 education, institutions within such system and other institutions of higher education in
13 the State in which the system is located; or

14 “(C) in the case of a Tribal College or University, between the Tribal College or
15 University and other institutions of higher education.

16 “(h) Supplement, Not Supplant.—Funds made available under this part shall be used to
17 supplement, and not supplant, other Federal, State, local, Tribal, and institutional funds that
18 would otherwise be expended to carry out activities described in this section.

19 “(i) Definitions.—In this section:

20 “(1) ELIGIBLE ENTITY.—The term ‘eligible entity’ means a State, a system of institutions
21 of higher education, or a Tribal College or University.

22 “(2) EVIDENCE TIERS.—

23 “(A) EVIDENCE TIER 1.—The term ‘evidence tier 1’, when used with respect to a
24 reform or practice, means a reform or practice that meets the criteria for receiving an
25 expansion grant from the education innovation and research program under section
26 4611(a)(2)(C) of the Elementary and Secondary Education Act of 1965, as determined
27 by the Secretary in accordance with such section.

28 “(B) EVIDENCE TIER 2.—The term ‘evidence tier 2’, when used with respect to a
29 reform or practice, means a reform or practice that meets the criteria for receiving a
30 mid-phase grant from the education innovation and research program under section
31 4611(a)(2)(B) of the Elementary and Secondary Education Act of 1965, as determined
32 by the Secretary in accordance with such section.

33 “(3) FIRST GENERATION COLLEGE STUDENT.—The term ‘first generation college student’
34 has the meaning given the term in section 402A(h)(3).

35 “(4) INSTITUTION OF HIGHER EDUCATION.—The term ‘institution of higher education’ has
36 the meaning given the term in section 101 or 102(a)(1)(B).

37 “(5) STATE.—The term ‘State’ means each of the 50 States of the United States, the
38 District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, the
39 United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, and the
40 Freely Associated States.

1 “(6) TRIBAL COLLEGE OR UNIVERSITY.—The term ‘Tribal College or University’ has the
2 meaning given the term in section 316(b)(3).

3 “(j) Appropriation.—In addition to amounts otherwise available, there is appropriated for
4 fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

5 “(1) \$310,000,000 to remain available until September 30, 2030, to award competitive
6 grants to eligible entities that are not Tribal Colleges and Universities to carry out the
7 approved activities described in the applications submitted under subsection (b);

8 “(2) \$37,500,000 to remain available until September 30, 2030, to award competitive
9 grants to Tribal Colleges and Universities to carry out the approved activities described in
10 the applications submitted under subsection (b);

11 “(3) \$95,000,000 to remain available until September 30, 2030, to supplement the
12 competitive grant amounts awarded to eligible entities with funds available under paragraph
13 (1) and (2) to implement reforms or practices that meet evidence tier 1;

14 “(4) \$47,500,000 to remain available until September 30, 2030, to supplement the
15 competitive grant amounts awarded to eligible entities with funds available under
16 paragraphs (1) and (2) to implement reforms or practices that meet evidence tier 1 or
17 evidence tier 2, or a combination of such reforms or practices; and

18 “(5) \$10,000,000 to remain available until September 30, 2030, to evaluate the
19 effectiveness of the activities carried out under this section.

20 “(k) Sunset.—The authority to make grants under this section shall expire at the end of award
21 year 2026–2027.

22 “(l) Inapplicability of GEPA Contingent Extension of Programs.—Section 422 of the General
23 Education Provisions Act shall not apply to this part.”.

24 **SEC. 20025. INSTITUTIONAL AID.**

25 (a) In General.—In addition to amounts otherwise available, there is appropriated for fiscal
26 year 2022, out of any money in the Treasury not otherwise appropriated—

27 (1) \$470,640,000, to remain available until September 30, 2028, for carrying out section
28 371(b)(2)(B) of the Higher Education Act of 1965 in fiscal year 2022;

29 (2) \$470,640,000, to remain available until September 30, 2028, for carrying out section
30 371(b)(2)(B) of the Higher Education Act of 1965 in fiscal year 2023;

31 (3) \$470,640,000, to remain available until September 30, 2028, for carrying out section
32 371(b)(2)(B) of the Higher Education Act of 1965 in fiscal year 2024;

33 (4) \$470,640,000, to remain available until September 30, 2028, for carrying out section
34 371(b)(2)(B) of the Higher Education Act of 1965 in fiscal year 2025;

35 (5) \$470,640,000, to remain available until September 30, 2028, for carrying out section
36 371(b)(2)(B) of the Higher Education Act of 1965 in fiscal year 2026;

37 (6) \$470,640,000, to remain available until September 30, 2028, for carrying out section
38 371(b)(2)(C) of the Higher Education Act of 1965 in fiscal year 2022;

39 (7) \$470,640,000, to remain available until September 30, 2028, for carrying out section

- 1 371(b)(2)(C) of the Higher Education Act of 1965 in fiscal year 2023;
- 2 (8) \$470,640,000, to remain available until September 30, 2028, for carrying out section
- 3 371(b)(2)(C) of the Higher Education Act of 1965 in fiscal year 2024;
- 4 (9) \$470,640,000, to remain available until September 30, 2028, for carrying out section
- 5 371(b)(2)(C) of the Higher Education Act of 1965 in fiscal year 2025;
- 6 (10) \$470,640,000, to remain available until September 30, 2028, for carrying out section
- 7 371(b)(2)(C) of the Higher Education Act of 1965 in fiscal year 2026;
- 8 (11) \$141,120,000, to remain available until September 30, 2028, for carrying out section
- 9 371(b)(2)(D)(i) of the Higher Education Act of 1965 in fiscal year 2022;
- 10 (12) \$141,120,000, to remain available until September 30, 2028, for carrying out section
- 11 371(b)(2)(D)(i) of the Higher Education Act of 1965 in fiscal year 2023;
- 12 (13) \$141,120,000, to remain available until September 30, 2028, for carrying out section
- 13 371(b)(2)(D)(i) of the Higher Education Act of 1965 in fiscal year 2024;
- 14 (14) \$141,120,000, to remain available until September 30, 2028, for carrying out section
- 15 371(b)(2)(D)(i) of the Higher Education Act of 1965 in fiscal year 2025;
- 16 (15) \$141,120,000, to remain available until September 30, 2028, for carrying out section
- 17 371(b)(2)(D)(i) of the Higher Education Act of 1965 in fiscal year 2026;
- 18 (16) \$70,560,000, to remain available until September 30, 2028, for carrying out section
- 19 371(b)(2)(D)(ii) of the Higher Education Act of 1965 in fiscal year 2022;
- 20 (17) \$70,560,000, to remain available until September 30, 2028, for carrying out section
- 21 371(b)(2)(D)(ii) of the Higher Education Act of 1965 in fiscal year 2023;
- 22 (18) \$70,560,000, to remain available until September 30, 2028, for carrying out section
- 23 371(b)(2)(D)(ii) of the Higher Education Act of 1965 in fiscal year 2024;
- 24 (19) \$70,560,000, to remain available until September 30, 2028, for carrying out section
- 25 371(b)(2)(D)(ii) of the Higher Education Act of 1965 in fiscal year 2025;
- 26 (20) \$70,560,000, to remain available until September 30, 2028, for carrying out section
- 27 371(b)(2)(D)(ii) of the Higher Education Act of 1965 in fiscal year 2026;
- 28 (21) \$23,520,000, to remain available until September 30, 2028, for carrying out section
- 29 371(b)(2)(D)(iii) of the Higher Education Act of 1965 in fiscal year 2022;
- 30 (22) \$23,520,000, to remain available until September 30, 2028, for carrying out section
- 31 371(b)(2)(D)(iii) of the Higher Education Act of 1965 in fiscal year 2023;
- 32 (23) \$23,520,000, to remain available until September 30, 2028, for carrying out section
- 33 371(b)(2)(D)(iii) of the Higher Education Act of 1965 in fiscal year 2024;
- 34 (24) \$23,520,000, to remain available until September 30, 2028, for carrying out section
- 35 371(b)(2)(D)(iii) of the Higher Education Act of 1965 in fiscal year 2025;
- 36 (25) \$23,520,000, to remain available until September 30, 2028, for carrying out section
- 37 371(b)(2)(D)(iii) of the Higher Education Act of 1965 in fiscal year 2026;
- 38 (26) \$23,520,000, to remain available until September 30, 2028, for carrying out section

- 1 371(b)(2)(D)(iv) of the Higher Education Act of 1965 in fiscal year 2022;
2 (27) \$23,520,000, to remain available until September 30, 2028, for carrying out section
3 371(b)(2)(D)(iv) of the Higher Education Act of 1965 in fiscal year 2023;
4 (28) \$23,520,000, to remain available until September 30, 2028, for carrying out section
5 371(b)(2)(D)(iv) of the Higher Education Act of 1965 in fiscal year 2024;
6 (29) \$23,520,000, to remain available until September 30, 2028, for carrying out section
7 371(b)(2)(D)(iv) of the Higher Education Act of 1965 in fiscal year 2025; and
8 (30) \$23,520,000, to remain available until September 30, 2028, for carrying out section
9 371(b)(2)(D)(iv) of the Higher Education Act of 1965 in fiscal year 2026.

10 (b) Use of Funds.—

11 (1) IN GENERAL.—An institution of higher education receiving funds made available
12 under this section shall use such funds in accordance with the uses of funds described under
13 subparagraphs (B), (C), and clauses (i) through (iv) of subparagraph (D) of section
14 371(b)(2) of the Higher Education Act of 1965, as applicable, and to award need-based
15 financial aid (including emergency financial aid grants) to low-income students enrolled in
16 an eligible program (as defined in section 481(b) of the Higher Education Act of 1965) at
17 such institution.

18 (2) DISTRIBUTION REQUIREMENTS.—The Secretary of Education shall distribute each of
19 the amounts appropriated under paragraphs (6) through (10) of subsection (a) in accordance
20 with section 371(b)(2)(C), except that in clause (ii) of such section, “25” and “of \$600,000
21 annually” shall not apply.

22 (c) No Additional Eligibility Requirements.—No individual shall be determined by the
23 Secretary of Education to be ineligible for benefits provided under subsection (b)(1) except on
24 the basis of not being a low-income student enrolled in an eligible program (as defined in section
25 481(b) of the Higher Education Act of 1965).

26 **SEC. 20026. RESEARCH AND DEVELOPMENT**
27 **INFRASTRUCTURE COMPETITIVE GRANT PROGRAM.**

28 Title III of the Higher Education Act of 1965 is amended—

29 (1) by redesignating part G as part H; and

30 (2) by inserting after section 371 the following:

31 **“PART G—IMPROVING RESEARCH & DEVELOPMENT**
32 **INFRASTRUCTURE FOR HISTORICALLY BLACK**
33 **COLLEGES AND UNIVERSITIES, TRIBAL COLLEGES**
34 **AND UNIVERSITIES, AND MINORITY-SERVING**
35 **INSTITUTIONS**

36 **“SEC. 381. IMPROVING RESEARCH & DEVELOPMENT**

1 **INFRASTRUCTURE FOR HISTORICALLY BLACK**
2 **COLLEGES AND UNIVERSITIES, TRIBAL COLLEGES**
3 **AND UNIVERSITIES, AND MINORITY-SERVING**
4 **INSTITUTIONS.**

5 “(a) Eligible Institution.—In this section, the term ‘eligible institution’ means—

6 “(1) an institution that—

7 “(A) is described in section 371(a);

8 “(B) is a 4-year institution; and

9 “(C) is not an institution classified as ‘very high research activity’ by the Carnegie
10 Classification of Institutions of Higher Education; or

11 “(2) an institution described in paragraph (1) acting on behalf of a consortium, which
12 may include institutions classified as ‘very high research activity’ by the Carnegie
13 Classification of Institutions of Higher Education, 2-year institutions of higher education (as
14 defined in section 101), and other academic partners, philanthropic organizations, and
15 industry partners, provided that the eligible institution is the lead member and fiscal agent
16 of the consortium.

17 “(b) Authorization of Grant Programs.—For the purpose of supporting research and
18 development infrastructure at eligible institutions, the Secretary shall award, on a competitive
19 basis, to eligible institutions—

20 “(1) planning grants for a period of not more than 2 years; and

21 “(2) implementation grants for a period of not more than 5 years.

22 “(c) Applications.—

23 “(1) IN GENERAL.—An eligible institution that desires to receive a planning grant under
24 subsection (b)(1) or an implementation grant under subsection (b)(2) shall submit an
25 application to the Secretary that includes a description of the activities that will be carried
26 out with grant funds.

27 “(2) NO COMPREHENSIVE DEVELOPMENT PLAN.—The requirement under section 391(b)(1)
28 shall not apply to grants awarded under this section.

29 “(d) Priority in Awards.—

30 “(1) IN GENERAL.—In awarding planning and implementation grants under this section,
31 the Secretary shall administer separate competitions for each of the categories of institutions
32 listed in paragraphs (1) through (7) of section 371(a).

33 “(2) PRIORITY.—In awarding implementation grants under this section, the Secretary
34 shall give priority to eligible institutions that have received a planning grant under this
35 section.

36 “(e) Use of Funds.—

37 “(1) PLANNING GRANTS.—An eligible institution that receives a planning grant under

1 subsection (b)(1) shall use the grant funds to develop a strategic plan for improving
2 institutional research and development infrastructure that includes—

3 “(A) an assessment of the existing institutional research capacity and research and
4 development infrastructure; and

5 “(B) a detailed description of how the institution would use research and
6 development infrastructure funds provided by an implementation grant under this
7 section to increase the institution’s research capacity and support research and
8 development infrastructure.

9 “(2) IMPLEMENTATION GRANTS.—An eligible institution that receives an implementation
10 grant under subsection (b)(2) shall use the grant funds to support research and development
11 infrastructure, which shall include carrying out at least one of the following activities:

12 “(A) Providing for the improvement of infrastructure existing on the date of the
13 grant award, including deferred maintenance, or the establishment of new physical
14 infrastructure, including instructional program spaces, laboratories, research facilities
15 or furniture, fixtures, and instructional research-related equipment and technology
16 relating to the fields of science, technology, engineering, the arts, mathematics, health,
17 agriculture, education, medicine, law, and other disciplines.

18 “(B) Hiring and retaining faculty, students, research-related staff, or other personnel,
19 including research personnel skilled in operating, using, or applying technology,
20 equipment, or devices used to conduct or support research.

21 “(C) Creating and supporting inter- and intra-institutional research centers
22 (including formal and informal communities of practice) in fields of research for which
23 research and development infrastructure funds have been awarded under this section,
24 including hiring staff and purchasing supplies and equipment.

25 “(f) Supplement Not Supplant.—Funds made available under this section shall be used to
26 supplement, and not supplant, other Federal, State, tribal, and local funds that would otherwise
27 be expended to carry out the activities described in this section.

28 “(g) Sunset.—

29 “(1) IN GENERAL.—The authority to make—

30 “(A) planning grants under subsection (b)(1) shall expire at the end of fiscal year
31 2025; and

32 “(B) implementation grants under subsection (b)(2) shall expire at the end of fiscal
33 year 2027.

34 “(2) INAPPLICABILITY OF GEPA CONTINGENT EXTENSION OF PROGRAMS.—Section 422 of
35 the General Education Provisions Act shall not apply to this section.

36 “(h) Appropriations.—In addition to amounts otherwise available, there is appropriated for
37 fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$3,000,000,000,
38 to remain available until September 30, 2028, for carrying out this section.”.

39 **SEC. 20027. NORTHERN MARIANA ISLANDS,**

1 AMERICAN SAMOA, UNITED STATES VIRGIN ISLANDS,
2 GUAM, AND FREELY ASSOCIATED STATES COLLEGE
3 ACCESS.

4 Title VII of the Higher Education Act of 1965, as amended by this Act, is further amended by
5 adding at the end the following:

6 “PART G—COLLEGE ACCESS FOR STUDENTS IN
7 OUTLYING AREAS

8 “SEC. 792. NORTHERN MARIANA ISLANDS, AMERICAN
9 SAMOA, UNITED STATES VIRGIN ISLANDS, GUAM,
10 AND FREELY ASSOCIATED STATES COLLEGE ACCESS
11 GRANTS.

12 “(a) Grants.—

13 “(1) GRANT AMOUNTS.—

14 “(A) IN GENERAL.—Beginning with award year 2023–2024, from amounts
15 appropriated to carry out this section, the Secretary shall award grants to the Governors
16 of each outlying area for such Governors to award grants to eligible institutions that
17 enroll eligible students to pay the difference between the tuition and fees charged for
18 in-State students and the tuition and fees charged for out-of-State students on behalf of
19 each eligible student enrolled in the eligible institution.

20 “(B) MAXIMUM STUDENT AMOUNTS.—The amount paid on behalf of an eligible
21 student under this section shall be—

22 “(i) not more than \$15,000 for any one award year (as defined in section
23 481(a)(1)); and

24 “(ii) not more than \$75,000 in the aggregate.

25 “(C) PRORATION.—The Governor shall prorate payments under this section with
26 respect to eligible students who attend an eligible institution on less than a full-time
27 basis.

28 “(2) AGREEMENT.—Each Governor desiring a grant under this section shall enter into an
29 agreement with the Secretary for the purposes of administering the grant program.

30 “(3) GRANT AUTHORITY.—The authority to make grants under this section shall expire at
31 the end of award year 2029–2030.

32 “(b) Inapplicability of GEPA Contingent Extension of Programs.—Section 422 of the General
33 Education Provisions Act shall not apply to this section.

34 “(c) No Additional Eligibility Requirements.—No individual shall be determined, by a
35 Governor, an eligible institution, or the Secretary, to be ineligible for benefits provided under
36 this section except on the basis of eligibility requirements under this section.

1 “(d) Definitions.—In this section:

2 “(1) ELIGIBLE INSTITUTION.—The term ‘eligible institution’ means an institution that—

3 “(A) is a public four-year institution of higher education located in one of the several
4 States of the United States, the District of Columbia, the Commonwealth of Puerto
5 Rico, or an outlying area;

6 “(B) enters into an agreement with the Governor of an outlying area, or with two or
7 more of such Governors (except that such institution may not enter into an agreement
8 with the Governor of the outlying area in which such institution is located), to carry out
9 the grant program under this section; and

10 “(C) submits an assurance to the Governor and to the Secretary that the institution
11 shall use funds made available under this section to supplement, and not supplant,
12 assistance that otherwise would be provided to eligible students from outlying areas.

13 “(2) ELIGIBLE STUDENT.—The term ‘eligible student’ means a student who—

14 “(A) was domiciled in an outlying area for not less than 12 consecutive months
15 preceding the commencement of the freshman year at an institution of higher education
16 supported by a grant awarded under this section;

17 “(B) has not completed an undergraduate baccalaureate course of study; and

18 “(C) is enrolled as an undergraduate student in an eligible program (as defined in
19 section 481(b)) on at least a half-time basis.

20 “(3) INSTITUTION OF HIGHER EDUCATION.—The term ‘institution of higher education’ has
21 the meaning given the term in section 101.

22 “(4) GOVERNOR.—The term ‘Governor’ means the chief executive of an outlying area.

23 “(5) OUTLYING AREA.—The term ‘outlying area’ means the Northern Mariana Islands,
24 American Samoa, the United States Virgin Islands, Guam, and the Freely Associated States.

25 “(e) Appropriations.—In addition to amounts otherwise available, there is appropriated ~~for~~
26 ~~fiscal year 2022~~, out of any money in the Treasury not otherwise appropriated, such sums as may
27 be necessary, to remain available until September 30, 2030, for carrying out this section.”.

28 PART 3—DEPARTMENT OF EDUCATION 29 IMPLEMENTATION

30 SEC. 20031. PROGRAM ADMINISTRATION.

31 In addition to amounts otherwise available, there is appropriated to the Department of
32 Education for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
33 \$91,742,000, to remain available until expended, for necessary administrative expenses
34 associated with carrying out this subtitle and sections 22101 and 22102.

35 SEC. 20032. STUDENT AID ADMINISTRATION.

36 In addition to amounts otherwise available, there is appropriated to the Department of
37 Education for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,

1 \$85,000,000, to remain available through September 30, 2030, for Student Aid Administration
2 within the Department of Education for necessary administrative expenses associated with
3 carrying out this subtitle and for additional Federal administrative expenses.

4 **SEC. 20033. OFFICE OF INSPECTOR GENERAL.**

5 In addition to amounts otherwise available, there is appropriated to the Department of
6 Education for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
7 \$10,000,000, to remain available until expended, for the Office of Inspector General of the
8 Department of Education, for salaries and expenses necessary for oversight, investigations, and
9 audits of programs, grants, and projects funded under this subtitle and sections 22101 and 22102
10 carried out by the Office of Inspector General.

11 **Subtitle B—Labor Matters**

12 **SEC. 21001. DEPARTMENT OF LABOR.**

13 In addition to amounts otherwise available, out of any money in the Treasury not otherwise
14 appropriated, there are appropriated to the Department of Labor for fiscal year 2022, to remain
15 available until September 30, 2026, the following amounts:

16 (1) \$195,000,000 to the Employee Benefits Security Administration for carrying out
17 enforcement activities.

18 (2) \$707,000,000 to the Occupational Safety and Health Administration for carrying out
19 enforcement, standards development, whistleblower investigations, compliance assistance,
20 funding for State plans, and related activities within the Occupational Safety and Health
21 Administration.

22 (3) \$133,000,000 to the Mine Safety and Health Administration for carrying out
23 enforcement, standard setting, technical assistance, and related activities.

24 (4) \$405,000,000 to the Wage and Hour Division for carrying out activities.

25 (5) \$121,000,000 to the Office of Workers' Compensation Programs for carrying out
26 activities of the Office.

27 (6) \$201,000,000 to the Office of Federal Contract Compliance Programs for carrying out
28 audit, investigation, enforcement, and compliance assistance, and other activities.

29 (7) \$176,000,000 to the Office of the Solicitor for carrying out necessary legal support for
30 activities carried out by the Office related to and in support of the activities of those
31 Department of Labor agencies receiving additional funding in this section.

32 **SEC. 21002. NATIONAL LABOR RELATIONS BOARD.**

33 In addition to amounts otherwise available, out of any money in the Treasury not otherwise
34 appropriated, there are appropriated to the National Labor Relations Board for fiscal year 2022,
35 \$350,000,000, to remain available until September 30, 2026, for carrying out the activities of the
36 Board.

37 **SEC. 21003. EQUAL EMPLOYMENT OPPORTUNITY**

1 COMMISSION.

2 In addition to amounts otherwise available, out of any money in the Treasury not otherwise
3 appropriated, there are appropriated to the Equal Employment Opportunity Commission for
4 fiscal year 2022, \$321,000,000, to remain available until September 30, 2026, for carrying out
5 investigation, enforcement, outreach, and related activities.

6 SEC. 21004. ADJUSTMENT OF CIVIL PENALTIES.

7 (a) Occupational Safety and Health Act of 1970.—Section 17 of the Occupational Safety and
8 Health Act of 1970 (29 U.S.C. 666) is amended—

9 (1) in subsection (a)—

10 (A) by striking “\$70,000” and inserting “\$700,000”; and

11 (B) by striking “\$5,000” and inserting “\$50,000”;

12 (2) in subsection (b), by striking “\$7,000” and inserting “\$70,000”; and

13 (3) in subsection (d), by striking “\$7,000” and inserting “\$70,000”.

14 (b) Fair Labor Standards Act of 1938.—Section 16(e) of the Fair Labor Standards Act of 1938
15 (29 U.S.C. 216(e)) is amended—

16 (1) in paragraph (1)(A)—

17 (A) in clause (i), by striking “\$11,000” and inserting “\$132,270”; and

18 (B) in clause (ii), by striking “\$50,000” and inserting “\$601,150”; and

19 (2) in paragraph (2)—

20 (A) in the first sentence, by striking “\$1,100” and inserting “\$20,740”; and

21 (B) in the second sentence, by striking “\$1,100” and inserting “\$11,620”.

22 (c) Migrant and Seasonal Agricultural Worker Protection Act.—Section 503(a)(1) of the
23 Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. 1853(a)(1)) is amended by
24 striking “\$1,000” and inserting “\$25,790”.

25 (d) Effective Date.—The amendments made by this section shall take effect on January 1,
26 2022.

27 SEC. 21005. CIVIL MONETARY PENALTIES FOR PARITY 28 VIOLATIONS.

29 (a) Civil Monetary Penalties Relating to Parity in Mental Health and Substance Use
30 Disorders.—Section 502(c)(10) of the Employee Retirement Income Security Act of 1974 (29
31 U.S.C. 1132(c)(10)(A)) is amended—

32 (1) in the heading, by striking “USE OF GENETIC INFORMATION” and inserting “USE OF
33 GENETIC INFORMATION AND PARITY IN MENTAL HEALTH AND SUBSTANCE USE DISORDER
34 BENEFITS”; and

35 (2) in subparagraph (A)—

1 (A) by striking “any plan sponsor of a group health plan” and inserting “any plan
2 sponsor or plan administrator of a group health plan”; and

3 (B) by striking “for any failure” and all that follows through “in connection with the
4 plan.” and inserting “for any failure by such sponsor, administrator, or issuer, in
5 connection with the plan—

6 “(i) to meet the requirements of subsection (a)(1)(F), (b)(3), (c), or (d) of
7 section 702 or section 701 or 702(b)(1) with respect to genetic information; or

8 “(ii) to meet the requirements of subsection (a) of section 712 with respect to
9 parity in mental health and substance use disorder benefits.”.

10 (b) Exception to the General Prohibition on Enforcement.—Section 502 of such Act (29
11 U.S.C. 1132) is amended—

12 (1) in subsection (a)(6), by striking “or (9)” and inserting “(9), or (10)”; and

13 (2) in subsection (b)(3)—

14 (A) by striking “subsections (c)(9) and (a)(6)” and inserting “subsections (c)(9),
15 (c)(10), and (a)(6)”; and

16 (B) by striking “under subsection (c)(9)” and inserting “under subsections (c)(9)
17 and (c)(10), and except with respect to enforcement by the Secretary of section 712”;
18 and

19 (C) by striking “706(a)(1)” and inserting “733(a)(1)”.

20 (c) Effective Date.—The amendments made by subsection (a) shall apply with respect to
21 group health plans, or any health insurance issuer offering health insurance coverage in
22 connection with such plan, for plan years beginning after the date that is 1 year after the date of
23 enactment of this Act.

24 SEC. 21006. PENALTIES UNDER THE NATIONAL LABOR 25 RELATIONS ACT.

26 (a) In General.—Section 12 of the National Labor Relations Act (29 U.S.C. 162) is
27 amended—

28 (1) by striking “sec. 12. Any person” and inserting the following:

29 “SEC. 12. PENALTIES.

30 “(a) Violations for Interference With Board.—Any person”; and

31 (2) by adding at the end the following:

32 “(b) Civil Penalties for Unfair Labor Practices.—Any employer who commits an unfair labor
33 practice within the meaning of section 8(a) affecting commerce shall be subject to a civil penalty
34 in an amount not to exceed \$50,000 for each such violation, except that, with respect to such an
35 unfair labor practice within the meaning of paragraph (3) or (4) of section 8(a) or such a
36 violation of section 8(a) that results in the discharge of an employee or other serious economic
37 harm to an employee, the Board shall double the amount of such penalty, to an amount not to
38 exceed \$100,000, in any case where the employer has within the preceding 5 years committed

1 another such violation of such paragraph (3) or (4) or such violation of section 8(a) that results in
2 such discharge or other serious economic harm. A civil penalty under this paragraph shall be in
3 addition to any other remedy ordered by the Board.

4 “(c) Considerations.—In determining the amount of any civil penalty under this section, the
5 Board shall consider—

6 “(1) the gravity of the actions of the employer resulting in the penalty, including the
7 impact of such actions on the charging party or on other persons seeking to exercise rights
8 guaranteed by this Act;

9 “(2) the size of the employer;

10 “(3) the history of previous unfair labor practices or other actions by the employer
11 resulting in a penalty; and

12 “(4) the public interest.

13 “(d) Director and Officer Liability.—If the Board determines, based on the particular facts and
14 circumstances presented, that a director or officer’s personal liability is warranted, a civil penalty
15 for a violation described in this section may also be assessed against any director or officer of the
16 employer who directed or committed the violation, had established a policy that led to such a
17 violation, or had actual or constructive knowledge of and the authority to prevent the violation
18 and failed to prevent the violation.”.

19 (b) Effective Date.—The amendments made by this section shall take effect on January 1,
20 2022.

21 Subtitle C—Workforce Development Matters

22 PART 1—DEPARTMENT OF LABOR

23 SEC. 22001. DISLOCATED WORKER EMPLOYMENT AND 24 TRAINING ACTIVITIES.

25 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
26 Department of Labor for fiscal year 2022, out of any money in the Treasury not otherwise
27 appropriated, \$2,000,000,000, to remain available until September 30, 2026, which shall be
28 allotted in accordance with subsection (b)(2) of section 132 and reserved under subsection (a) of
29 section 133 of the Workforce Innovation and Opportunity Act, and allocated under subsection
30 (b)(1)(B) of section 133 of such Act for each local area to provide—

31 (1) career services authorized under subsection (c)(2) of section 134 of the Workforce
32 Innovation and Opportunity Act, including individualized career services described in
33 section 134(c)(2)(A)(xii) of such Act;

34 (2) supportive services and needs-related payments authorized under paragraphs (2) and
35 (3) of section 134(d) of the Workforce Innovation and Opportunity Act, except that the
36 requirements of subparagraphs (B) and (C) of paragraph (3) of such section shall not apply;
37 and

38 (3) training services, including through individual training accounts, authorized under

1 section 134(c)(3) of the Workforce Innovation and Opportunity Act, except that for
2 purposes of providing transitional jobs as part of those services under this section, section
3 134(d)(5) of such Act shall be applied by substituting “40 percent” for “10 percent”.

4 (b) Supplement Not Supplant.—Amounts made available to carry out this section shall be used
5 to supplement and not supplant other Federal, State, and local public funds expended to provide
6 employment and training activities for dislocated workers, including funds provided under the
7 Workforce Innovation and Opportunity Act.

8 SEC. 22002. ADULT WORKER EMPLOYMENT AND 9 TRAINING ACTIVITIES.

10 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
11 Department of Labor for fiscal year 2022, out of any money in the Treasury not otherwise
12 appropriated, \$1,000,000,000, to remain available until September 30, 2026, which shall be
13 allotted in accordance with subsection (b)(1) of section 132 and reserved under subsection (a) of
14 section 133 of the Workforce Innovation and Opportunity Act, and allocated under subsection
15 (b)(1)(A) of section 133 of such Act for each local area to provide—

16 (1) career services authorized under subsection (c)(2) of section 134 of the Workforce
17 Innovation and Opportunity Act, including individualized career services described in
18 section 134(c)(2)(A)(xii) of such Act;

19 (2) supportive services and needs-related payments authorized under paragraphs (2) and
20 (3) of section 134(d) of the Workforce Innovation and Opportunity Act, except that the
21 requirements of subparagraphs (B) and (C) of paragraph (3) of such section shall not apply;
22 and

23 (3) training services, including through individual training accounts, authorized under
24 section 134(c)(3) of the Workforce Innovation and Opportunity Act, except that for
25 purposes of providing incumbent worker training as part of those services under this
26 section, if such training is provided to low-wage workers, section 134(d)(4)(A)(i) of such
27 Act shall be applied by substituting “40 percent” for “20 percent”.

28 (b) Supplement Not Supplant.—Amounts made available to carry out this section shall be used
29 to supplement and not supplant other Federal, State, and local public funds expended to provide
30 adult employment and training activities, including funds provided under the Workforce
31 Innovation and Opportunity Act.

32 SEC. 22003. YOUTH WORKFORCE INVESTMENT 33 ACTIVITIES.

34 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
35 Department of Labor for fiscal year 2022, out of any money in the Treasury not otherwise
36 appropriated, \$1,500,000,000, to remain available until September 30, 2026, which shall be
37 allotted in accordance with subparagraphs (B) and (C) of section 127(b)(1) and reserved under
38 subsection (a) of section 128 of the Workforce Innovation and Opportunity Act, and allocated
39 under subsection (b) of section 128 of such Act for each local area to—

40 (1) carry out the youth workforce investment activities authorized under section 129 of

1 the Workforce Innovation and Opportunity Act;

2 (2) provide opportunities for in-school youth and out-of-school youth to participate in
3 paid work experiences described in subsection (c)(2)(C) of section 129 of the Workforce
4 Innovation and Opportunity Act; and

5 (3) partner with community-based organizations to support out-of-school youth,
6 including those residing in high-crime or high-poverty areas.

7 (b) Supplement Not Supplant.—Amounts made available to carry out this section shall be used
8 to supplement and not supplant other Federal, State, and local public funds expended for youth
9 workforce investment activities, including funds provided under the Workforce Innovation and
10 Opportunity Act.

11 **SEC. 22004. EMPLOYMENT SERVICE.**

12 In addition to amounts otherwise available, there is appropriated to the Department of Labor
13 for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, the following
14 amounts, to remain available until September 30, 2026:

15 (1) \$400,000,000 for carrying out the State grant activities authorized under section 7 of
16 the Wagner-Peyser Act, which shall be allotted in accordance with section 6 of such Act,
17 except that, for purposes of this section, funds shall also be reserved and used for the
18 Commonwealth of the Northern Mariana Islands and American Samoa in amounts the
19 Secretary determines appropriate prior to the allotments being made in accordance with
20 section 6 of such Act.

21 (2) \$100,000,000 for carrying out improvements to State workforce and labor market
22 information systems.

23 **SEC. 22005. RE-ENTRY EMPLOYMENT OPPORTUNITIES.**

24 In addition to amounts otherwise available, there is appropriated to the Department of Labor
25 for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, the following
26 amounts, to remain available until September 30, 2026:

27 (1) \$375,000,000, for carrying out the Reentry Employment Opportunities program.

28 (2) \$125,000,000, for competitive grants to national and regional intermediaries to carry
29 out Reentry Employment Opportunity programs that prepare for employment young adults
30 with criminal records, young adults who have been justice system-involved, or young adults
31 who have dropped out of school or other educational programs, made with a priority for
32 projects serving high-crime, high-poverty areas.

33 **SEC. 22006. REGISTERED APPRENTICESHIPS, YOUTH 34 APPRENTICESHIPS, AND PRE-APPRENTICESHIPS.**

35 In addition to amounts otherwise available, there is appropriated to the Department of Labor
36 for fiscal year 2022, out of any amounts in the Treasury not otherwise appropriated, the
37 following amounts, to remain available until September 30, 2026:

38 (1) \$500,000,000 for carrying out activities through grants, cooperative agreements,

1 contracts, or other arrangements, including arrangements with States **and outlying areas**
2 **(as such terms are defined in paragraphs (45) and (56), respectively, of section 3 of the**
3 **Workforce Innovation and Opportunity Act)**, equity intermediaries, and business and
4 labor industry partner intermediaries, to create or expand only—

5 (A) registered apprenticeship programs;

6 (B) pre-apprenticeship programs that articulate to registered apprenticeship
7 programs; and

8 (C) youth apprenticeship programs that—

9 (i) provide participants with high-quality, classroom-based related instruction
10 and training, and employment opportunities with progressively increasing wages;
11 and

12 (ii) prepare participants for enrollment in an institution of higher education (as
13 defined in section 101 or 102(c) of the Higher Education Act of 1965), a
14 registered apprenticeship program, and employment.

15 (2) \$500,000,000 for carrying out activities through arrangements described in paragraph
16 (1) to support programs described in such paragraph that serve a high number or high
17 percentage of individuals with barriers to employment (as defined in section 3(24) of the
18 Workforce Innovation and Opportunity Act), including individuals with disabilities, or
19 nontraditional apprenticeship populations.

20 **SEC. ~~22008~~ 22007. INDUSTRY OR SECTOR PARTNERSHIP** 21 **GRANTS.**

22 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
23 Department of Labor for fiscal year 2022, out of any money in the Treasury not otherwise
24 appropriated, \$4,600,000,000, to remain available until September 30, 2026, for the Secretary to
25 award, on a competitive basis, grants, contracts, or cooperative agreements to eligible
26 partnerships for the purposes of expanding employment and training activities for high-skill,
27 high-wage, or in-demand industry sectors or occupations.

28 (b) Eligibility.—To be eligible to receive funds under this section, an eligible partnership shall
29 submit to the Secretary an application that includes a description of programs to be supported
30 with such funds, the recognized postsecondary credentials participants in such programs will
31 earn, and related employment opportunities for which participants in such programs will be
32 prepared.

33 (c) Uses of Funds.—An eligible partnership awarded funds under this section shall use such
34 funds to—

35 (1) regularly engage and convene stakeholders to develop, or expand, employment and
36 training activities for the high-skill, high-wage, or in-demand industry sector or occupation
37 on which such partnership is focused;

38 (2) directly provide, or arrange for the provision of, high-quality, evidence-based training
39 that leads to the attainment of nationally or regionally portable and stackable recognized
40 postsecondary credentials for the industry sector or occupation described in paragraph (1),

1 which shall include—

2 (A)(i) training services described in any clause of subparagraph (D) of section
3 134(c)(3) of the Workforce Innovation and Opportunity Act provided through
4 contracts that meet the requirements of that section 134(c)(3); or

5 (ii) training provided through—

6 (I) registered apprenticeship programs;

7 (II) pre-apprenticeship programs that articulate to registered apprenticeship
8 programs;

9 (III) youth apprenticeship programs that—

10 (aa) provide participants with high-quality, classroom-based related
11 instruction and training, and employment opportunities with progressively
12 increasing wages; and

13 (bb) prepare participants for enrollment in an institution of higher
14 education (as defined in section 101 or 102(c)) of the Higher Education Act
15 of 1965), a registered apprenticeship program, and employment; or

16 (IV) joint labor-management organizations; and

17 (B) the provision of information on related skills or competencies that may be
18 attained through such training or credentials;

19 (3) directly provide, or arrange for the provision of, services to help individuals with
20 barriers to employment prepare for, complete, and successfully transition out of training
21 described in paragraph (2), which services shall include career services, supportive services,
22 or provision of needs-related payments authorized under subsections (c)(2), (d)(2), and
23 (d)(3) of section 134 of the Workforce Innovation and Opportunity Act, except that, for
24 purposes of this section, subparagraphs (B) and (C) of section 134(d)(3) of that Act shall not
25 apply; and

26 (4) establish or implement plans for providers of programs supported with such funds to
27 meet the criteria and carry out the procedures to be included on the eligible training services
28 provider list described in section 122(d) of the Workforce Innovation and Opportunity Act.

29 (d) Administration.—In addition to amounts otherwise available, there is appropriated to the
30 Department of Labor for fiscal year 2022, out of any money in the Treasury not otherwise
31 appropriated, \$150,000,000, to remain available until September 30, 2026, for—

32 (1) targeted outreach and support to eligible partnerships serving local areas with high
33 unemployment rates or high percentages of dislocated workers or individuals with barriers
34 to employment, to provide guidance and assistance in the application process under this
35 section;

36 (2) administration of the program described in this section, including providing
37 comprehensive technical assistance and oversight to support eligible partnerships; and

38 (3) evaluating and reporting on the performance and impact of programs funded under
39 this section.

40 (e) State Board or Local Board Funds.—In addition to amounts otherwise available, there is

1 appropriated to the Department of Labor for fiscal year 2022, out of any money in the Treasury
2 not otherwise appropriated, \$250,000,000, to remain available until September 30, 2026, to
3 provide direct assistance to State boards or local boards to support the creation or expansion of
4 industry or sector partnerships in local areas with high unemployment rates or high percentages
5 of dislocated workers or individuals with barriers to employment, as compared to State or
6 national averages for such rates or percentages.

7 (f) Supplement Not Supplant.—Amounts made available to carry out this section shall be used
8 to supplement and not supplant other Federal, State, and local public funds expended to support
9 activities described in this section.

10 **SEC. ~~22009~~ 22008. JOB CORPS.**

11 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
12 Department of Labor for fiscal year 2022, out of any amounts in the Treasury not otherwise
13 appropriated, \$500,000,000, to remain available until September 30, 2026—

14 (1) to provide funds to operators and service providers to—

15 (A) carry out the activities and services described in sections 148 and 149 of the
16 Workforce Innovation and Opportunity Act; and

17 (B) improve and expand access to allowances and services described in section 150
18 of such Act; and

19 (2) for the construction, rehabilitation, and acquisition of Job Corps centers,
20 notwithstanding section 158(c) of the Workforce Innovation and Opportunity Act.

21 (b) Eligibility of Operators and Service Providers.—For the purposes of carrying out
22 subsection (a), an entity in a State or outlying area (as such term is defined in section 3(45) of the
23 Workforce Innovation and Opportunity Act) may be eligible to be selected as an operator or
24 service provider.

25 **SEC. ~~22010~~ 22009. NATIVE AMERICAN PROGRAMS.**

26 In addition to amounts otherwise available, there is appropriated to the Department of Labor
27 for fiscal year 2022, out of any amounts in the Treasury not otherwise appropriated,
28 \$50,000,000, to remain available until September 30, 2026, to carry out activities described in
29 section 166(d)(2)(A) of the Workforce Innovation and Opportunity Act.

30 **SEC. ~~22011~~ 22010. MIGRANT AND SEASONAL** 31 **FARMWORKER PROGRAMS.**

32 In addition to amounts otherwise available, there is appropriated to the Department of Labor
33 for fiscal year 2022, out of any amounts in the Treasury not otherwise appropriated,
34 \$70,000,000, to remain available until September 30, 2026, to carry out activities described in
35 section 167(d) of the Workforce Innovation and Opportunity Act, except that, for purposes of
36 providing services as part of such activities to low-income individuals under this section, section
37 3(36)(A)(ii)(I) of such Act shall be applied by substituting “150 percent of the poverty line” for
38 “the poverty line”.

1 **SEC. ~~22012~~ 22011. YOUTHBUILD PROGRAM.**

2 In addition to amounts otherwise available, there is appropriated to the Department of Labor
3 for fiscal year 2022, out of any amounts in the Treasury not otherwise appropriated,
4 \$15,000,000, to remain available until September 30, 2026, to carry out activities described in
5 section 171(c)(2) of the Workforce Innovation and Opportunity Act, including for the purposes
6 of improving and expanding access to services, stipends, wages, and benefits described in
7 subparagraphs (A)(vii) and (F) of section 171(c)(2) of such Act.

8 **SEC. ~~22013~~ 22012. SENIOR COMMUNITY SERVICE**
9 **EMPLOYMENT PROGRAM.**

10 In addition to amounts otherwise available, there is appropriated to the Department of Labor
11 for fiscal year 2022, out of any amounts in the Treasury not otherwise appropriated,
12 \$35,000,000, to remain available until September 30, 2026, for the Senior Community Service
13 Employment program authorized under section 502 of the Older Americans Act of 1965.

14 **SEC. ~~22014~~ 22013. PROVISION OF INFORMATION.**

15 For purposes of determinations of the eligibility of individuals to participate in activities
16 funded under this subtitle, the provision of information for such determinations by Federal
17 agencies other than the Department of Labor or the Department of Education shall not be
18 required.

19 **SEC. ~~22015~~ 22014. DEFINITIONS.**

20 In this part:

21 ~~(1) Community college.—The term “community college” means—~~

22
23 ~~* 1 (A) a degree granting public institution of higher education (as defined in section 101-~~
24 ~~of the Higher Education Act of 1965) at which—~~

25 ~~(i) the highest degree awarded is an associate degree; or~~

26 ~~(ii) an associate degree is the most frequently awarded degree;~~

27
28 ~~* 2 (B) a 2-year Tribal College or University (as defined in section 316(b)(3) of the~~
29 ~~Higher Education Act of 1965);~~

30
31 ~~* 3 (C) a degree granting Tribal College or University (as defined in section 316(b)(3) of~~
32 ~~the Higher Education Act of 1965) at which—~~

33 ~~(i) the highest degree awarded is an associate degree; or~~

34 ~~(ii) an associate degree is the most frequently awarded degree; or~~

35

1 ~~* 4 (D) a branch campus of a 4-year public institution of higher education (as defined in~~
2 ~~section 101 of the Higher Education Act of 1965), if, at such branch campus—~~

3 ~~(i) the highest degree awarded is an associate degree; or~~

4 ~~(ii) an associate degree is the most frequently awarded degree.~~

5
6 ~~* 5 (2) Eligible institution.—The term “eligible institution” means a community college,~~
7 ~~a postsecondary vocational institution (as defined in section 102(c) of the Higher Education~~
8 ~~Act of 1965), or a consortium of such colleges or institutions, that is working directly with~~
9 ~~an industry or sector partnership, or in the process of establishing such partnership, to carry~~
10 ~~out a grant under section 22007.~~

11 ~~(3)(1) ELIGIBLE PARTNERSHIP.—The term “eligible partnership” means—~~

12 (A) an industry or sector partnership, which shall include multiple representatives
13 described in each of clauses (i) through (iii) of paragraph (26)(A) of section 3 of the
14 Workforce Innovation and Opportunity Act; or

15 (B) a State board or local board, a joint labor-management organization, or an entity
16 eligible to be a representative under clause (i), (ii), or (iii) of paragraph (26)(A) of
17 section 3 of the Workforce Innovation and Opportunity Act, that is in the process of
18 establishing an industry or sector partnership described in subparagraph (A), to carry
19 out a grant, contract, or cooperative agreement under section ~~22008~~ **22007**.

20
21 ~~* 6 (4) Perkins etc definitions.—The terms “career guidance and academic counseling”,~~
22 ~~“dual or concurrent enrollment program”, “evidence based”, and “work based learning”~~
23 ~~have the meanings given the terms in paragraphs (7), (15), (23), and (55), respectively, of~~
24 ~~section 3 of the Carl D. Perkins Career and Technical Education Act of 2006.~~

25 **(2) EVIDENCE-BASED.—The term “evidence-based” has the meaning given the term**
26 **in section 3(23) of the Carl D. Perkins Career and Technical Education Act of 2006.**

27 ~~(5)(3) REGISTERED APPRENTICESHIP PROGRAM.—The term “registered apprenticeship~~
28 ~~program” means an apprenticeship program registered with the Office of Apprenticeship of~~
29 ~~the Employment and Training Administration of the Department of Labor or a State~~
30 ~~apprenticeship agency recognized by the Office of Apprenticeship pursuant to the Act of~~
31 ~~August 16, 1937 (commonly known as the “National Apprenticeship Act”; 50 Stat. 664,~~
32 ~~chapter 663).~~

33 ~~(6)(4) SECRETARY.—The term “Secretary” means the Secretary of Labor.~~

34 ~~(7)(5) WIOA DEFINITIONS.—~~

35 (A) IN GENERAL.—The terms “career pathway”, “in-demand industry sector or
36 occupation”, “individual with a barrier to employment”, “industry or sector
37 partnership”, “local area”, “local board”, “recognized postsecondary credential”, “State
38 board”, and “supportive services” have the meanings given the terms in paragraphs (7),
39 (23), (24), (26), (32), (33), (52), (57), and (59), respectively, of section 3 of the
40 Workforce Innovation and Opportunity Act.

1 (B) CAREER SERVICES.—The term “career services” means services described in
2 section 134(c)(2) of the Workforce Innovation and Opportunity Act.

3 PART 2—DEPARTMENT OF EDUCATION

4 SEC. 22101. ADULT EDUCATION AND LITERACY.

5 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
6 Department of Education for fiscal year 2022, out of any money in the Treasury not otherwise
7 appropriated, \$700,000,000, to remain available until September 30, 2027, to carry out the
8 program of adult education and literacy activities authorized under the Workforce Innovation and
9 Opportunity Act, except that, for each fiscal year for which an eligible agency receives funds
10 appropriated under this section, section 222(a)(1) of the Workforce Innovation and Opportunity
11 Act shall be applied by substituting “not less than 10 percent” for “not more than 20 percent”,
12 and section 222(b) of such Act shall not apply.

13 (b) Supplement Not Supplant.—Amounts made available to carry out this section shall be used
14 to supplement and not supplant other Federal, State, and local public funds expended to support
15 adult education and literacy activities, including funds provided under the Workforce Innovation
16 and Opportunity Act.

17 SEC. 22102. CAREER AND TECHNICAL EDUCATION.

18 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
19 Department of Education for fiscal year 2022, out of any money in the Treasury not otherwise
20 appropriated, the following amounts, to remain available until September 30, 2027:

21 (1) \$600,000,000 for carrying out career and technical education programs authorized
22 under section 124 and section 135 of the Carl D. Perkins Career and Technical Education
23 Act of 2006, which shall be allotted in accordance with section 111 and section 112 of such
24 Act, except that subsection (b) of section 112 shall not apply.

25 (2) \$100,000,000 for carrying out the innovation and modernization program in
26 subsection (e) of section 114 of the Carl D. Perkins Career and Technical Education Act of
27 2006, except that, for purposes of this paragraph, paragraph (2) of such subsection and the
28 20 percent limitation in paragraph (1) of such subsection shall not apply and eligible
29 agencies, as defined in section 3(18) of such Act, shall be eligible to receive grants under
30 such program.

31 (b) Supplement Not Supplant.—Amounts made available to carry out this section shall be used
32 to supplement and not supplant other Federal, State, and local public funds expended for career
33 and technical education programs, including funds provided under the Carl D. Perkins Career
34 and Technical Education Act of 2006.

35 SEC. 22103. COMMUNITY COLLEGE AND INDUSTRY 36 PARTNERSHIP GRANTS.

37 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to
38 the Department of Education for fiscal year 2022, out of any money in the Treasury not
39 otherwise appropriated, \$4,900,000,000, to remain available until September 30, 2026, for

1 the Secretary, in coordination with the Secretary of Labor, to award grants, on a
2 competitive basis, to eligible institutions for the purposes of expanding employment and
3 training activities for high-skill, high-wage, or in-demand industry sectors or occupations.

4 (b) Eligibility.—To be eligible to receive such a grant, an eligible institution shall submit
5 to the Secretary an application that includes a description of programs to be supported
6 with such grant, the recognized postsecondary credentials participants in such programs
7 will earn, and the related employment opportunities for which participants in such
8 programs will be prepared.

9 (c) Use of Funds.—An eligible institution awarded a grant under this section shall use
10 such grant funds to expand opportunities for attainment of recognized postsecondary
11 credentials that are nationally or regionally portable and stackable for high-skill,
12 high-wage, or in-demand industry sectors or occupations by—

13 (1) establishing, improving, or scaling high-quality, evidence-based education or
14 career training programs, career pathway programs, or work-based learning
15 programs (including registered apprenticeship programs or pre-apprenticeships that
16 articulate to registered apprenticeship programs);

17 (2) providing services to help individuals with barriers to employment prepare for,
18 complete, and successfully transition out of programs described in paragraph (1)
19 supported by such grant, which shall include providing supportive services, career
20 services, career guidance and academic counseling, or job placement assistance; and

21 (3) carrying out 1 or more of the following:

22 (A) Creating, developing, or expanding articulation agreements (as defined in
23 section 486A(a) of the Higher Education Act of 1965), credit transfer agreements,
24 corequisite remediation programs, dual or concurrent enrollment programs, or
25 policies and processes to award academic credit for prior learning or for
26 programs described in paragraph (1) supported by such grant.

27 (B) Making available information on curricula and recognized postsecondary
28 credentials, including those created or developed using such grant, and
29 information on the related skills or competencies and related employment and
30 earnings outcomes.

31 (C) Establishing or implementing plans for providers of programs described in
32 paragraph (1) supported by such grant to meet the criteria and carry out the
33 procedures to be included on the eligible training services provider list described
34 in section 122(d) of the Workforce Innovation and Opportunity Act.

35 (D) Purchasing, leasing, or refurbishing specialized equipment necessary to
36 carry out such programs.

37 (E) Reducing participants' cost of attendance in such programs.

38 (F) Establishing or expanding industry or sector partnerships to successfully
39 carry out the activities supported by such grant under this paragraph, and
40 paragraphs (1) and (2).

41 (d) Administration.—In addition to amounts otherwise available, there is appropriated

1 to the Department of Education for fiscal year 2022, out of any money in the Treasury not
2 otherwise appropriated, \$100,000,000, to remain available until September 30, 2026, to
3 carry out, in coordination of the Department of Labor, the following activities:

4 (1) Targeted outreach to eligible institutions serving a high number or high
5 percentage of low-income individuals or individuals with barriers to employment, and
6 rural-serving eligible institutions, to provide guidance and assistance in the grant
7 application process under this section.

8 (2) Administration of the program described in this section, including providing
9 technical assistance and oversight to support eligible institutions.

10 (3) Evaluating and reporting on the performance and impact of programs funded
11 under this section.

12 (e) Supplement Not Supplant.—Amounts available to carry out this section shall be used
13 to supplement and not supplant other Federal, State, and local public funds expended to
14 support activities described in this section.

15 (f) Definitions.—In this section:

16 (1) COMMUNITY COLLEGE.—The term “community college” means—

17 ** 1 (A) a degree-granting public institution of higher education (as defined in
18 section 101 of the Higher Education Act of 1965) at which—

19 (i) the highest degree awarded is an associate degree; or

20 (ii) an associate degree is the most frequently awarded degree;

21 ** 2 (B) a 2-year Tribal College or University (as defined in section 316(b)(3) of the
22 Higher Education Act of 1965);

23 ** 3 (C) a degree-granting Tribal College or University (as defined in section
24 316(b)(3) of the Higher Education Act of 1965) at which—

25 (i) the highest degree awarded is an associate degree; or

26 (ii) an associate degree is the most frequently awarded degree; or

27 ** 4 (D) a branch campus of a 4-year public institution of higher education (as
28 defined in section 101 of the Higher Education Act of 1965), if, at such branch
29 campus—

30 (i) the highest degree awarded is an associate degree; or

31 (ii) an associate degree is the most frequently awarded degree.

32 ** 5 (2) ELIGIBLE INSTITUTION.—The term “eligible institution” means a community
33 college, a postsecondary vocational institution (as defined in section 102(c) of the Higher
34 Education Act of 1965), or a consortium of such colleges or institutions, that is working
35 directly with an industry or sector partnership, or in the process of establishing such
36 partnership, to carry out a grant under ~~this~~ section 22007.

37 ** 6 ~~(4)~~(3) PERKINS CTE DEFINITIONS.—The terms “career guidance and academic
38 counseling”, “dual or concurrent enrollment program”, “evidence-based”, and “work-based
39 learning” have the meanings given the terms in paragraphs (7), (15), (23), and (55),

1 respectively, of section 3 of the Carl D. Perkins Career and Technical Education Act of
2 2006.

3 **(4) REGISTERED APPRENTICESHIP PROGRAM.—The term “registered apprenticeship**
4 **program” means an apprenticeship program registered with the Office of**
5 **Apprenticeship of the Employment and Training Administration of the Department of**
6 **Labor or a State apprenticeship agency recognized by the Office of Apprenticeship**
7 **pursuant to the Act of August 16, 1937 (commonly known as the “National**
8 **Apprenticeship Act”); 50 Stat. 664, chapter 663).**

9 **(5) SECRETARY.—The term “Secretary” means the Secretary of Education.**

10 **(6) WIOA DEFINITIONS.—**

11 **(A) IN GENERAL.—The terms “career pathway”, “in-demand industry sector or**
12 **occupation”, “individual with a barrier to employment”, “industry or sector**
13 **partnership”, “recognized postsecondary credential”, and “supportive services”**
14 **have the meanings given the terms in paragraphs (7), (23), (24), (26), (52), and**
15 **(59), respectively, of section 3 of the Workforce Innovation and Opportunity Act.**

16 **(B) CAREER SERVICES.—The term “career services” means services described**
17 **in section 134(c)(2) of the Workforce Innovation and Opportunity Act.**

18 **PART 3—COMPETITIVE INTEGRATED EMPLOYMENT** 19 **TRANSFORMATION GRANT PROGRAM**

20 **SEC. 22201. COMPETITIVE INTEGRATED EMPLOYMENT** 21 **TRANSFORMATION GRANT PROGRAM.**

22 (a) Appropriation.—In addition to amounts otherwise made available, there is appropriated to
23 the Department of Labor for fiscal year 2022, out of any money in the Treasury not otherwise
24 appropriated, the following amounts, to remain available through fiscal year 2029, for the
25 Secretary of Labor to award grants to covered States in accordance with this section to assist
26 employers in such States who were issued special certificates under section 14(c) of the Fair
27 Labor Standards Act of 1938 (29 U.S.C. 214(c)) (referred to in this part as “special certificates”)
28 in transforming their business and program models from providing employment using special
29 certificates to business and program models that employ and support people with disabilities in
30 competitive integrated employment:

31 (1) \$189,000,000 for subsection (d)(2)(B).

32 (2) \$81,000,000 for subsection (d)(2)(C).

33 (b) Applications.—

34 (1) IN GENERAL.—To be eligible to receive a grant under this section, a covered State
35 shall submit an application to the Secretary at such time, in such manner, and including
36 such information as the Secretary may reasonably require.

37 (2) CONTENTS.—Each application submitted under paragraph (1) shall include—

38 (A) a description of the status of the employers in the covered State providing

1 employment using special certificates, including—

2 (i) the number of employers in the covered State using special certificates to
3 employ and pay people with disabilities;

4 (ii) the number of employees in the covered State employed under a special
5 certificate;

6 (iii) the average number of hours such employees work per week; and

7 (iv) the average hourly wage for such employees;

8 (B) a description of activities to be funded under the grant, and the goals of such
9 activities, including the activities of the covered State with respect to competitive
10 integrated employment for people with disabilities; and

11 (C) assurances that—

12 (i) the activities carried out under the grant will result in—

13 (I) each employer in the covered State that, on the date of enactment of
14 this Act, provides employment using special certificates transforming its
15 business and program models as described in subsection (c)(1); and

16 (II) each employer in the covered State ceasing to use special certificates
17 by the end of the 5-year grant period and no longer applying for or renewing
18 such certificates;

19 (ii) each individual in the covered State who is employed under a special
20 certificate will, as a result of such a transformation, be employed in competitive
21 integrated employment or a combination of competitive integrated employment
22 and integrated services, including by compensating all employees of the employer
23 for all hours worked at a rate that is—

24 (I) not less than the higher of—

25 (aa) the rate specified in section 6(a)(1) of the Fair Labor Standards
26 Act of 1938 (29 U.S.C. 206(a)(1));

27 (bb) the rate specified in an applicable State or local minimum wage
28 law; or

29 (cc) in the case of work on a contract that is subject to chapter 67 of
30 title 41, United States Code, the applicable prevailing wage rate under
31 such chapter; and

32 (II) not less than the rate paid by the employer for the same or similar
33 work performed by other employees who are not people with disabilities, and
34 who are similarly situated in similar occupations by the same employer and
35 who have similar training, experience, and skills; and

36 (iii) the covered State will establish an advisory council to monitor and guide
37 the process of transforming business and program models of employers in the
38 covered State as described in subsection (c)(1).

39 (c) Use of Funds.—A covered State receiving a grant under this section shall use the grant

1 funds for each of the following activities:

2 (1) Identifying each employer in the State that will transform its business and program
3 models from employing people with disabilities using special certificates to employing
4 people with disabilities in competitive integrated employment settings, or a setting
5 involving a combination of competitive integrated employment and integrated services.

6 (2) Implementing a service delivery infrastructure to support people with disabilities who
7 have been employed under special certificates through such a transformation, including
8 providing enhanced integrated services to support people with the most significant
9 disabilities.

10 (3) Expanding competitive integrated employment and integrated services to be provided
11 to such people as a result of transformations described in paragraph (1).

12 (d) Allotments.—

13 (1) IN GENERAL.—Not later than 18 months after the date of enactment of this Act, the
14 Secretary shall—

15 (A) determine the number of covered States; and

16 (B)(i) in a case in which the Secretary determines that there are 15 or more covered
17 States, award each covered State a grant under paragraph (2); or

18 (ii) in a case in which the Secretary determines that there are 14 or fewer covered
19 States, award each covered State a grant under paragraph (3) for the first 5-year grant
20 period under such paragraph.

21 (2) 15 OR MORE COVERED STATES.—

22 (A) IN GENERAL.—In a case in which the Secretary determines under paragraph (1)
23 that there are 15 or more covered States, from the funds appropriated under subsection
24 (a), the Secretary shall allot to each covered State a grant under this section in an
25 amount equal to the sum of—

26 (i) the allotment made to the covered State in accordance with subparagraph
27 (B); and

28 (ii) the allotment made to the covered State in accordance with subparagraph
29 (C).

30 (B) ALLOTMENT BASED ON THE NUMBER OF EMPLOYEES EMPLOYED UNDER SPECIAL
31 CERTIFICATES.—From the total amount of the funds appropriated under subsection
32 (a)(1), the Secretary shall allot to each covered State an amount that bears the same
33 relationship to such total amount as the number of people with disabilities who are
34 employed under a special certificate in the covered State bears to the total number of
35 people with disabilities who are employed under a special certificate in all covered
36 States.

37 (C) ALLOTMENT BASED ON THE NUMBER OF EMPLOYERS WITH SPECIAL
38 CERTIFICATES.—From the total amount of the funds appropriated under subsection
39 (a)(2), the Secretary shall allot to each covered State an amount that bears the same
40 relationship to such total amount as the number of employers in the covered State who

1 have in effect a special certificate bears to the total number of employers in all covered
2 States who have in effect such a certificate.

3 (D) DATA.—In determining the number of people with disabilities who are
4 employed under a special certificate for purposes of subparagraph (B) and the number
5 of employers who have in effect a special certificate for purposes of subparagraph (C),
6 the Secretary shall use the most accurate data available to the Secretary on the date of
7 enactment of this Act.

8 (E) GRANT PERIOD.—A grant under this paragraph shall be awarded for a period of 5
9 years.

10 (3) 14 OR FEWER COVERED STATES.—

11 (A) IN GENERAL.—In a case in which the Secretary determines under paragraph (1)
12 that there are 14 or fewer covered States, from the funds appropriated under subsection
13 (a), the Secretary shall award a grant to each covered State in an amount that the
14 Secretary determines necessary for the covered State to accomplish the purpose of the
15 grant described in such subsection and for the Secretary to meet the requirements of
16 this paragraph.

17 (B) GRANT PERIODS.—

18 (i) IN GENERAL.—The Secretary shall award grants under this paragraph for 2
19 separate, 5-year grant periods.

20 (ii) SECOND 5-YEAR GRANT PERIOD.—Grants for the second 5-year grant period
21 shall be awarded—

22 (I) not earlier than the end of the second year of the first 5-year grant
23 period described in paragraph (1)(B)(ii); and

24 (II) not later than September 30, 2025.

25 (C) LIMIT ON NUMBER OF GRANTS.—No State may receive more than 1 grant under
26 this paragraph.

27 (e) Definition of Covered State.—In this section, the term “covered State” means a State (as
28 defined in section 3 of the Fair Labor Standards Act of 1938 (29 U.S.C. 203)) that—

29 (1) as of the date of enactment of this Act, has not phased out, or is not in the process of
30 phasing out, the use of special certificates in the State; and

31 (2) submits an application under subsection (b) that meets the requirements under such
32 subsection.

33 **SEC. 22202. GRANTS FOR STATES TO EXPAND**
34 **COMPETITIVE INTEGRATED EMPLOYMENT.**

35 (a) Appropriation.—In addition to amounts otherwise made available, there is appropriated to
36 the Department of Labor for fiscal year 2022, out of any money in the Treasury not otherwise
37 appropriated, \$24,000,000, to remain available through fiscal year 2029, for the Secretary of
38 Labor to award grants to covered States in accordance with this section to assist employers in
39 such States who were issued special certificates in continuing to transform their business and

1 program models from providing employment using special certificates to business and program
2 models that employ and support people with disabilities in competitive integrated employment.

3 (b) Applications.—To be eligible to receive a grant under this section, a covered State shall
4 submit an application to the Secretary at such time, in such manner, and include such
5 information as the Secretary may reasonably require, including a description of activities to be
6 funded under the grant and the activities of the covered State with respect to competitive
7 integrated employment for people with disabilities.

8 (c) Use of Funds.—A covered State that receives a grant under this section shall use the grant
9 funds for activities to expand competitive integrated employment and integrated services to be
10 provided to people with disabilities.

11 (d) Grant Award.—Not later than 18 months after the date of enactment of this Act, the
12 Secretary shall award each covered State a grant in an amount that bears the same relationship to
13 the total amount appropriated under subsection (a) as the population of the covered State bears to
14 the total population of all covered States.

15 (e) Grant Period.—A grant under this section shall be awarded for a period of 5 years.

16 (f) Definition of Covered State.—In this section, the term “covered State” means a State (as
17 defined in section 3 of the Fair Labor Standards Act of 1938 (29 U.S.C. 203)) that—

18 (1) as of the date of enactment of this Act, has phased out, or is the process of phasing
19 out, the use of special certificates in the State; and

20 (2) submits an application under subsection (b) that meets the requirements under such
21 subsection.

22 SEC. 22203. TECHNICAL ASSISTANCE.

23 In addition to amounts otherwise made available, there is appropriated to the Department of
24 Labor for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
25 \$6,000,000, to remain available through fiscal year 2029, for the Secretary to, in partnership with
26 the Office of Special Education and Rehabilitative Services of the Department of Education,
27 establish, either directly or through grants, contracts, or cooperative agreements, a national
28 technical assistance center to—

29 (1) provide technical assistance to employers who are transforming from employing
30 people with disabilities using special certificates to employing people with disabilities in
31 competitive integrated employment settings; and

32 (2) collect and disseminate information on evidence-based practices for such
33 transformations and for providing competitive integrated employment and integrated
34 services.

35 SEC. 22204. SUPPLEMENT AND NOT SUPPLANT.

36 Any funds made available to a State under this part shall be used to supplement and not
37 supplant any Federal, State, or local public funds expended—

38 (1) to assist employers in such State who were issued a special certificate in transforming
39 (or continuing to transform) their business and program models from providing employment

1 using special certificates to business and program models that employ and support people
2 with disabilities in competitive integrated employment; or

3 (2) to support the employment of people with disabilities in competitive integrated
4 employment.

5 SEC. 22205. DEFINITIONS.

6 In this part:

7 (1) COMPETITIVE INTEGRATED EMPLOYMENT.—The term “competitive integrated
8 employment” has the meaning given such term in section 7(5) of the Rehabilitation Act of
9 1973 (29 U.S.C. 705(5)).

10 (2) EMPLOYEE; EMPLOYER.—The terms “employee” and “employer” have the meanings
11 given such terms in section 3 of the Fair Labor Standards Act of 1938 (29 U.S.C. 203).

12 (3) INTEGRATED SERVICES.—The term “integrated services” means services for people
13 with disabilities that are—

14 (A) designed to assist such people in developing skills and abilities to reside
15 successfully in home and community-based settings;

16 (B) provided in accordance with a person-centered written plan of care;

17 (C) created using evidence-based practices that lead to such people—

18 (i) maintaining competitive integrated employment;

19 (ii) achieving independent living; or

20 (iii) maximizing socioeconomic self-sufficiency, optimal independence, and
21 full participation in the community;

22 (D) provided in a community location that is not specifically intended for people
23 with disabilities;

24 (E) provided in a location that—

25 (i) allows the people receiving the services to interact with people without
26 disabilities to the fullest extent possible; and

27 (ii) makes it possible for the people receiving the services to access community
28 resources that are not specifically intended for people with disabilities and to have
29 the same opportunity to participate in the community as people who do not have a
30 disability; and

31 (F) provided in multiple locations to allow the individual receiving the services to
32 have options, thereby—

33 (i) optimizing individual initiative, autonomy, and independence; and

34 (ii) facilitating choice regarding services and supports, and choice regarding the
35 provider of such services.

36 (4) PEOPLE WITH DISABILITIES.—The term “people with disabilities” includes individuals
37 described in section 14(c)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 214(c)(1)).

1 (5) SECRETARY.—The term “Secretary” means the Secretary of Labor.

2 **PART 4—RECRUITMENT, EDUCATION AND TRAINING,**
3 **RETENTION, AND CAREER ADVANCEMENTS FOR THE**
4 **DIRECT CARE WORKFORCE**

5 **SEC. 22301. DEFINITIONS.**

6 In this part:

7 (1) CTE DEFINITIONS.—The terms “area career and technical education school”,
8 “evidence-based”, and “work-based learning” have the meanings given such terms in
9 paragraphs (3), (23), and (55), respectively, of section 3 of the Carl D. Perkins Career and
10 Technical Education Act of 2006 (20 U.S.C. 2302).

11 (2) WIOA DEFINITIONS.—The terms “career pathway”, “career planning”, “individual
12 with a barrier to employment”, “local board”, “older individual”, “on-the-job training”,
13 “recognized postsecondary credential”, and “State board” have the meanings given such
14 terms paragraphs (7), (8), (24), (33), (39), (44), (52), and (57), respectively, of section 3 of
15 the Workforce Innovation and Opportunity Act (29 U.S.C. 3102).

16 (3) OTHER DEFINITIONS.—

17 (A) DIRECT SUPPORT WORKER.—The term “direct support worker” means—

18 (i) a direct support professional;

19 (ii) a worker providing direct care services, which may include palliative care,
20 in a home or community-based setting;

21 (iii) a respite care provider who provides short-term support and care to an
22 individual in order to provide relief to a family caregiver;

23 (iv) a direct care worker, as defined in section 799B of the Public Health
24 Service Act (42 U.S.C. 295p); or

25 (v) an individual in any other position or job related to those described in
26 clauses (i) through (iv), as determined by the Secretary in consultation with the
27 Secretary of Health and Human Services acting through the Administrator for the
28 Administration for Community Living.

29 (B) ELIGIBLE ENTITY.—The term “eligible entity” means an entity that is—

30 (i) a State;

31 (ii) a labor organization or a joint labor-management organization;

32 (iii) a nonprofit organization with experience in aging, disability, supporting the
33 rights and interests of direct support workers, or training or educating direct
34 support workers;

35 (iv) an Indian Tribe or Tribal organization~~(as defined in section 4 of the Indian~~
36 ~~Self-Determination and Education Assistance Act (25 U.S.C. 5304));~~

37 (v) an urban Indian organization~~(as defined in section 4 of the Indian Health~~

1 ~~Care Improvement Act (25 U.S.C. 1603));~~

2 (vi) a State board or local board;

3 (vii) an area agency on aging (as defined in section 102 of the Older Americans
4 Act of 1965 (42 U.S.C. 3002));

5 (viii) when in partnership with an entity described in any of clauses (i) through
6 (vii) or with a consortium described in clause (ix)—

7 (I) an institution of higher education (as defined in section 101 of the
8 Higher Education Act of 1965 (20 U.S.C. 1001) or section 102(a)(1)(B) of
9 such Act (20 U.S.C. 1002(a)(1)(B))); or

10 (II) an area career and technical education school; or

11 (ix) a consortium of entities listed in any of clauses (i) through (vii).

12 (C) FAMILY CAREGIVER.—The term “family caregiver” means a paid or unpaid adult
13 family member or other individual who has a significant relationship with, and who
14 provides a broad range of assistance to, an individual with a chronic or other health
15 condition, disability, or functional limitation.

16 (D) HOME AND COMMUNITY-BASED SERVICES.—The term “home and
17 community-based services” has the meaning given such term in section 9817(a)(2) of
18 the American Rescue Plan Act of 2021 (Public Law 117–2).

19 (E) PERSON WITH A DISABILITY.—The term “person with a disability” means an
20 individual with a disability as defined in section 3 of the Americans with Disabilities
21 Act of 1990 (42 U.S.C. 12102).

22 (F) PRE-APPRENTICESHIP PROGRAM.—The term “pre-apprenticeship program” means
23 a program that articulates to a registered apprenticeship program.

24 (G) REGISTERED APPRENTICESHIP PROGRAM.—The term “registered apprenticeship
25 program” means an apprenticeship program registered with the Office of
26 Apprenticeship of the Employment Training Administration of the Department of
27 Labor or a State apprenticeship agency recognized by the Office of Apprenticeship
28 pursuant to the Act of August 16, 1937 (commonly known as the “National
29 Apprenticeship Act”; 50 Stat. 664, chapter 663).

30 (H) SECRETARY.—The term “Secretary” means the Secretary of Labor.

31 (I) STATE.—The term “State” means each of the 50 States of the United States, the
32 District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, the
33 United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

34 **SEC. 22302. GRANTS TO SUPPORT THE DIRECT CARE** 35 **WORKFORCE.**

36 (a) Grants Authorized.—In addition to amounts otherwise available, there is appropriated to
37 the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
38 \$1,000,000,000, to remain available until September 30, 2031, for awarding, on a competitive
39 basis, grants to eligible entities to carry out the activities described in subsection (c) with respect

1 to direct support workers.

2 (b) Applications; Award Basis.—

3 (1) APPLICATIONS.—

4 (A) IN GENERAL.—An eligible entity seeking a grant under subsection (a) shall
5 submit to the Secretary an application at such time, in such manner, and containing
6 such information as the Secretary, in coordination with the Secretary of Health and
7 Human Services acting through the Administrator of the Administration for
8 Community Living, may require.

9 (B) CONTENTS.—Each application under subparagraph (A) shall include—

10 (i) a description of the type or types of direct support workers the entity plans
11 to serve through the activities supported by the grant;

12 (ii) a description of the one or more eligible entities collaborating to carry out
13 the activities described in subsection (c); **and**

14 (iii) an assurance that—

15 (I) the eligible entity will consult on the development and implementation
16 of the grant, with direct support workers, their representatives, and recipients
17 of direct care services and their families; and

18 (II) the eligible entity will consult on the implementation of the grant, or
19 coordinate the activities of the grant, with the agencies in the State that are
20 responsible for developmental disability services, aging, education,
21 workforce development, and Medicaid, to the extent that each such entity is
22 not the eligible entity.; ~~and~~

23 ~~(iv) a plan for ensuring that the eligible entity will remain neutral in any~~
24 ~~organizing effort involving direct support workers served by the grant who~~
25 ~~seek to form, join, or assist a labor organization.~~

26 (2) DURATION OF GRANTS.—A grant awarded under this section shall be for a period of 3
27 years, and may be renewed. The Secretary, in coordination with the Secretary of Health and
28 Human Services acting through the Administrator of the Administration for Community
29 Living, shall award grants (including any renewals) under this section in 3-year cycles
30 subject to the limits set forth in subsection (a).

31 (c) Use of Funds.—

32 (1) REQUIRED USE OF FUNDS.—Each eligible entity receiving a grant under subsection (a)
33 shall use the grant funds to provide competitive wages, benefits, and other supportive
34 services, including transportation, child care, dependent care, workplace accommodations,
35 and workplace health and safety protections, to the direct support workers served by the
36 grant that are necessary to enable such workers to participate in the activities supported by
37 the grant.

38 (2) ADDITIONAL ACTIVITIES.—In addition to the requirement described in paragraph (1),
39 each eligible entity receiving a grant under subsection (a) shall use the grant funds for one
40 or more of the following activities:

1 (A) Developing and implementing a strategy for the recruitment of direct support
2 workers.

3 (B) Developing and implementing a strategy for the retention of direct support
4 workers using evidence-based best practices, such as providing mentoring to such
5 workers, including a strategy that can also support family caregivers.

6 (C) Developing or implementing an education and training program for the direct
7 support workers served by the grant, which shall include—

8 (i) education and training on—

9 (I) the rights of direct support workers under applicable Federal, State, or
10 local employment law on—

11 (aa) wages and hours, including under sections 3, 6, 7, 12, and 13 of
12 the Fair Labor Standards Act of 1938 (29 U.S.C. 203, 206, 207, 212,
13 213);

14 (bb) safe working conditions, including under section 5 of the
15 Occupational Safety and Health Act of 1970 (29 U.S.C. 654); and

16 (cc) forming, joining, or assisting a labor organization, including
17 under sections 7 and 8 of the National Labor Relations Act (29 U.S.C.
18 157, 158); and

19 (II) relevant Federal and State laws (including regulations) on the
20 provision of home and community-based services; and

21 (ii) providing a progressively increasing, clearly defined schedule of hourly
22 wages to be paid to each direct support worker served by the grant for each hour
23 the worker spends on education or training provided through the program
24 described in this subparagraph, with a schedule of hourly wages that—

25 (I) is consistent with measurable skill gains or attainment of a recognized
26 postsecondary credential received as a result of participation in or
27 completion of such education or training program; and

28 (II) ensures that each such worker is compensated for each hour the
29 worker spends on education or training through such program at an entry rate
30 that is not less than the greater of the applicable minimum wage required by
31 other applicable Federal, State, or local law, or a collective bargaining
32 agreement;

33 (iii) developing and implementing a strategy for the retention and career
34 advancement of the direct support workers served by the grant, including
35 providing career planning for the direct support workers served by the grant to
36 support the identification of advancement opportunities, and career pathways in
37 the direct care or home care sectors; and

38 (iv) using evidence-based models and standards for achievement for the
39 attainment of any associated recognized postsecondary credentials, which
40 include—

1 (I) supporting opportunities to participate in pre-apprenticeship or
2 registered apprenticeship programs, work-based learning, or on-the-job
3 training;

4 (II) providing on-the-job supervision or mentoring to support the
5 development of related skills and competencies throughout completion of
6 such credentials; and

7 (III) training on the in-demand skills and competencies of direct support
8 workers served by the grant, including the provision of culturally competent
9 and disability competent supports and services.

10 (d) Supplement and Not Supplant.—An eligible entity receiving a grant under this section
11 shall use such grant only to supplement, and not supplant, the amount of funds that, in the
12 absence of such grant, would be available to the eligible entity to address the recruitment,
13 education and training, retention, or career advancement of direct support workers in the State
14 served by the grant.

15 PART 5—DEPARTMENT OF LABOR INSPECTOR 16 GENERAL AND PROGRAM ADMINISTRATION FUNDING

17 SEC. 22401. DEPARTMENT OF LABOR INSPECTOR 18 GENERAL.

19 In addition to amounts otherwise available, there is appropriated to the Office of Inspector
20 General of the Department of Labor for fiscal year 2022, out of any money in the Treasury not
21 otherwise appropriated, \$40,000,000, to remain available until expended, for salaries and
22 expenses necessary for oversight, investigations, and audits of programs, grants, and projects of
23 the Department of Labor funded under this subtitle and subtitle B of this title.

24 SEC. 22402. PROGRAM ADMINISTRATION.

25 In addition to amounts otherwise available, there is appropriated to the Department of Labor
26 for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$90,000,000,
27 to remain available until September 30, 2029, for program administration within the Department
28 of Labor for salaries and expenses necessary to implement part 1 (other than ~~sections 22007 and~~
29 ~~22008~~) **section 22007**), and parts 3 and 4, of this subtitle.

30 Subtitle D—Child Care and Universal Pre-kindergarten

31 SEC. 23001. BIRTH THROUGH FIVE CHILD CARE AND 32 EARLY LEARNING ENTITLEMENT.

33 (a) Child Care Definitions.—The definitions in section 658P of the Child Care and
34 Development Block Grant Act of 1990 (42 U.S.C. 9858n) shall apply to this section, except as
35 provided in subsection (b) and as otherwise specified.

36 (b) Additional Definitions.—In this section:

37 (1) CHILD CARE CERTIFICATE.—

1 (A) IN GENERAL.—The term “child care certificate” means a certificate (that may be
2 a check or other disbursement) that is issued by a State, Tribal, territorial, or local
3 government under this section directly to a parent who shall use such certificate only as
4 payment for child care services or as a deposit for child care services if such a deposit
5 is required of other children being cared for by the provider.

6 (B) RULE.—Nothing in this section shall preclude the use of such certificates for
7 sectarian child care services if freely chosen by the parent. For the purposes of this
8 section, child care certificates shall be considered Federal financial assistance to the
9 provider.

10 (2) CHILD EXPERIENCING HOMELESSNESS.—The term “child experiencing homelessness”
11 means an individual who is a homeless child or youth under section 725 of the
12 McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a).

13 (3) ELIGIBLE ACTIVITY.—The term “eligible activity”, with respect to a parent, shall
14 include, at minimum, activities consisting of—

15 (A) full-time or part-time employment;

16 (B) self-employment;

17 (C) job search activities;

18 (D) job training;

19 (E) secondary, postsecondary, or adult education, including education through a
20 program of high school classes, a course of study at an institution of higher education,
21 classes towards an equivalent of a high school diploma recognized by State law, or
22 English as a second language classes;

23 (F) health treatment (including mental health and substance use treatment) for a
24 condition that prevents the parent from participating in other eligible activities;

25 (G) activities to prevent child abuse and neglect, or family violence prevention or
26 intervention activities;

27 (H) employment and training activities under the supplemental nutrition assistance
28 program established under section 6(d)(4) the Food and Nutrition Act of 2008 (7
29 U.S.C. 2015(d)(4));

30 (I) employment and training activities under the Workforce Innovation and
31 Opportunity Act;

32 (J) a work activity described in subsection (d) of section 407 of the Social Security
33 Act (42 U.S.C. 607) for which, consistent with clauses (ii) and (iii) of section
34 402(a)(1)(A) of such Act (42 U.S.C. 602(a)(1)(A)), a parent or caretaker is treated as
35 being engaged in work for a month in a fiscal year for purposes of the program of
36 block grants to States for temporary assistance for needy families established under
37 part A of title IV of the Social Security Act; and

38 (K) taking leave under the Family and Medical Leave Act of 1993 (or equivalent
39 provisions for Federal employees), a State or local paid or unpaid leave law, or a
40 program of employer-provided leave.

1 (4) ELIGIBLE CHILD.—THE CHILD.—

2 (A) IN GENERAL.—The term “eligible child” means an individual, subject to
3 subsection (g)(1)(C)(i)(III)—

4 ~~(A)(i)~~ who is less than 6 years of age;

5 ~~(B)(ii)~~ who is not yet in kindergarten;

6 ~~(C)(iii)~~ whose family income—

7 ~~(i)(I)~~ does not exceed 100 percent of the State median income for a family
8 of the same size for fiscal year 2022;

9 ~~(ii)(II)~~ does not exceed 125 percent of such State median income for fiscal
10 year 2023;

11 ~~(iii)(III)~~ does not exceed 150 percent of such State median income for
12 fiscal year 2024; and

13 ~~(iv)(IV)~~ does not exceed 250 percent of such State median income for
14 each of the fiscal years 2025 through 2027; and

15 ~~(D)(iv)~~ who—

16 ~~(i)(I)~~ resides with a parent or parents who are participating in an eligible
17 activity;

18 ~~(ii)(II)~~ is included in a population of vulnerable children identified by the
19 lead agency involved, which at a minimum shall include children with
20 disabilities, infants and toddlers with disabilities, children experiencing
21 homelessness, children in foster care, children in kinship care, and children
22 who are receiving, or need to receive, child protective services; or

23 ~~(iii)(III)~~ resides with a parent who is more than 65 years of age.

24 (B) EXPANDED ELIGIBILITY RULE FOR FISCAL YEARS 2022 THROUGH 2024.—

25 (i) IN GENERAL.—A child who is eligible to receive services under this
26 subparagraph shall be treated as an eligible child for the other provisions of
27 this section.

28 (ii) RULE.—Notwithstanding subparagraph (A)(iii), a State may use the
29 payments under subsection (g)(1) for fiscal year 2022, 2023, or 2024, to
30 provide direct child care services described in subsection (h)(1)(A) to
31 children who meet the requirements of clauses (i), (ii), and (iv) of
32 subparagraph (A) and whose family income exceeds the percentage specified
33 in subparagraph (A)(iii) (but does not exceed 250 percent) of State median
34 income for a family of the same size for a given fiscal year, if the State has
35 appropriately prioritized, subject to approval by the Secretary, assistance for
36 such services based on family income.

37 (iii) VARIATION IN COST OF LIVING.—In determining eligibility under this
38 subparagraph, the State may take into consideration geographic variation in
39 the cost of living among regions of the State and expand eligibility for
40 children described in clause (ii) in a region of the State based on such

1 **variation, subject to approval by the Secretary.**

2 (5) ELIGIBLE CHILD CARE PROVIDER.—

3 (A) IN GENERAL.—The term “eligible child care provider” means a center-based
4 child care provider, a family child care provider, or other provider of child care
5 services for compensation that—

6 (i) is licensed to provide child care services under State law or, in the case of an
7 Indian Tribe or Tribal organization, meets the rules set by the Secretary;

8 (ii) participates in the State’s tiered system for measuring the quality of eligible
9 child care providers described in subsection (f)(4)(B), or, in the case of an Indian
10 Tribe or Tribal organization, meets the rules set by the Secretary—

11 (I) not later than the last day of the third fiscal year for which the State
12 receives funds under this section; and

13 (II) for the remainder of the period for which the provider receives funds
14 under this section; and

15 (iii) satisfies the State and local requirements applicable to eligible child care
16 providers under the Child Care and Development Block Grant Act of 1990,
17 including those requirements described in section 658E(c)(2)(I) of such Act (42
18 U.S.C. 9858c(c)(2)(I)).

19 (B) SPECIAL RULE.—A child care provider who is eligible to provide child care
20 services in a State for children receiving assistance under the Child Care and
21 Development Block Grant Act of 1990 on the date the State submits an application for
22 funds under this section, and remains in compliance with any licensing or registration
23 standards, or regulations, of the State, shall be deemed to be an eligible child care
24 provider under this section for ~~3~~ **3.5** years after the State **first** receives funding under
25 this section.

26 (6) ~~FMAP.~~ **THE FMAP.**—**The** term “FMAP” has the meaning given the term “Federal
27 medical assistance percentage” in the first sentence of section 1905(b) of the Social Security
28 Act (42 U.S.C. 1396d(b)).

29 (7) FAMILY CHILD CARE PROVIDER.—The term “family child care provider” means one or
30 more individuals who provide child care services, in a private residence other than the
31 residences of the children involved, for less than 24 hours per day per child, or for 24 hours
32 per day per child due to the nature of the work of the parent involved.

33 (8) INCLUSIVE CARE.—The term “inclusive”, with respect to care (including child care),
34 means care provided by an eligible child care provider—

35 (A) for whom the percentage of children served by the provider who are children
36 with disabilities or infants or toddlers with disabilities reflects the prevalence of
37 children with disabilities and infants and toddlers with disabilities (whichever the
38 provider serves) among children within the State involved; and

39 (B) that provides care and full participation for children with disabilities and infants
40 and toddlers with disabilities (whichever the provider serves) alongside children who
41 are—

1 (i) not children with disabilities; and

2 (ii) not infants and toddlers with disabilities.

3 (9) INFANT OR TODDLER.—The term “infant or toddler” means an individual who is less
4 than 3 years of age.

5 (10) INFANT OR TODDLER WITH A DISABILITY.—The term “infant or toddler with a
6 disability” has the meaning given the term in section 632 of the Individuals with Disabilities
7 Education Act (20 U.S.C. 1432).

8 (11) LEAD AGENCY.—The term “lead agency” means the agency designated under
9 subsection (e).

10 (12) STATE.—The term “State” means any of the 50 States and the District of Columbia.

11 (13) TERRITORY.—The term “territory” means the Commonwealth of Puerto Rico, the
12 Virgin Islands of the United States, Guam, American Samoa, and the Commonwealth of the
13 Northern Mariana Islands.

14 (c) Appropriations.—

15 (1) STATES.—

16 (A) STATE APPROPRIATIONS.—In addition to amounts otherwise available, there is
17 appropriated to the Department of Health and Human Services for fiscal year 2022, out
18 of any money in the Treasury not otherwise appropriated—

19 (i)(I) \$11,460,000,000, to remain available until September 30, 2027, for States
20 and the Commonwealth of Puerto Rico, to carry out the activities described in
21 subsection (h)(1)(A)(~~i~~) in fiscal year 2022;

22 (II) \$5,730,000,000, to remain available until September 30, 2027, for States
23 and the Commonwealth of Puerto Rico, to carry out the activities described in
24 subsection ~~(h)(2)(C)~~**(h)(1)(B)** in fiscal year 2022;

25 (III) \$4,125,600,000, to remain available until September 30, 2027, for States
26 and the Commonwealth of Puerto Rico, to carry out the activities described in
27 ~~subsection (h)(1)(A)(i) or~~ **subparagraph (A) or (B) of subsection**
28 ~~(h)(2)(C)~~**(h)(1)**, as determined by the State or Commonwealth, in fiscal year
29 2022; and

30 (IV) \$1,604,400,000, to remain available until September 30, 2027, for States
31 and the Commonwealth of Puerto Rico, to carry out the activities described in
32 ~~subsection (g)(2)(A)(iii)~~ **subparagraph (A), (B), or (C) of subsection (h)(1), as**
33 **determined by the State or Commonwealth**, in fiscal year 2022;

34 (ii)(I) \$16,235,000,000, to remain available until September 30, 2027, for
35 States and the Commonwealth of Puerto Rico, to carry out the activities described
36 in subsection (h)(1)(A)(~~i~~) in fiscal year 2023;

37 (II) \$8,117,500,000, to remain available until September 30, 2027, for States
38 and the Commonwealth of Puerto Rico, to carry out the activities described in
39 subsection ~~(h)(2)(C)~~**(h)(1)(B)** in fiscal year 2023;

40 (III) \$5,844,600,000, to remain available until September 30, 2027, for States

1 and the Commonwealth of Puerto Rico, to carry out the activities described in
2 subsection ~~(h)(1)(A)(i) or subparagraph (A) or (B) of~~ subsection
3 ~~(h)(2)(C)(h)(1)~~, as determined by the State or Commonwealth, in fiscal year
4 2023; and

5 (IV) \$2,272,900,000, to remain available until September 30, 2027, for States
6 and the Commonwealth of Puerto Rico, to carry out the activities described in
7 subsection ~~(g)(2)(A)(iii)~~ **subparagraph (A), (B), or (C) of subsection (h)(1), as**
8 **determined by the State or Commonwealth**, in fiscal year 2023; and

9 (iii)(I) \$20,055,000,000, to remain available until September 30, 2027, for
10 States and the Commonwealth of Puerto Rico, to carry out the activities described
11 in subsection ~~(h)(1)(A)(i)~~ in fiscal year 2024;

12 (II) \$10,027,500,000, to remain available until September 30, 2027, for States
13 and the Commonwealth of Puerto Rico, to carry out the activities described in
14 subsection ~~(h)(2)(C)(h)(1)(B)~~ in fiscal year 2024;

15 (III) \$7,219,800,000, to remain available until September 30, 2027, for States
16 and the Commonwealth of Puerto Rico, to carry out the activities described in
17 subsection ~~(h)(1)(A)(i) or subparagraph (A) or (B) of~~ subsection
18 ~~(h)(2)(C)(h)(1)~~, as determined by the State or Commonwealth, in fiscal year
19 2024; and

20 (IV) \$2,807,700,000, to remain available until September 30, 2027, for States
21 and the Commonwealth of Puerto Rico, to carry out the activities described in
22 subsection ~~(g)(2)(A)(iii)~~ **subparagraph (A), (B), or (C) of subsection (h)(1), as**
23 **determined by the State or Commonwealth**, in fiscal year 2024.

24 (B) STATE ENTITLEMENT.—In addition to amounts otherwise available, there is
25 appropriated to the Department of Health and Human Services, out of any money in
26 the Treasury not otherwise appropriated, such sums as may be necessary for each of
27 fiscal years 2025 through 2027, for payments to States, ~~to remain available for 1~~
28 ~~additional fiscal year~~ for carrying out this section (other than carrying out subsections
29 ~~(i), (k), and (l) or~~ activities described in paragraph ~~(2)(4), (5), or (3))(6)).~~

30 (2) INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—

31 (A) INDIAN TRIBE AND TRIBAL ORGANIZATION APPROPRIATIONS.—In addition to
32 amounts otherwise available, there is appropriated to the Department of Health and
33 Human Services for fiscal year 2022, out of any money in the Treasury not otherwise
34 appropriated, for grants to Indian Tribes and Tribal organizations for the purpose of
35 carrying out the child care program described in this section (**other than carrying out**
36 **activities described in paragraph (4), (5), or (6)**), consistent, to the extent practicable
37 as determined by the Secretary, with the requirements applicable to States—

38 (i) \$960,000,000, to remain available until September 30, 2027, to carry out the
39 child care program in fiscal year 2022;

40 (ii) \$1,360,000,000, to remain available until September 30, 2027, to carry out
41 the child care program in fiscal year 2023; and

42 (iii) \$1,680,000,000 to remain available until September 30, 2027, to carry out

1 the child care program in fiscal year 2024.

2 (B) INDIAN TRIBE AND TRIBAL ORGANIZATION ENTITLEMENT.—In addition to
3 amounts otherwise available, there is appropriated to the Department of Health and
4 Human Services, out of any money in the Treasury not otherwise appropriated, such
5 sums as may be necessary for each of fiscal years 2025 through 2027, for payments to
6 Indian Tribes and Tribal organizations, for the purpose of carrying out the child care
7 program described in this section (**other than carrying out activities described in**
8 **paragraph (4), (5), or (6)**), consistent, to the extent practicable as determined by the
9 Secretary, with the requirements applicable to States.

10 (3) TERRITORIES.—

11 (A) TERRITORY APPROPRIATIONS.—In addition to amounts otherwise available, there
12 is appropriated to the Department of Health and Human Services for fiscal year 2022,
13 out of any money in the Treasury not otherwise appropriated, for grants to Guam,
14 American Samoa, the Commonwealth of the Northern Mariana Islands, and the United
15 States Virgin Islands for the purpose of carrying out the child care program described
16 in this section (**other than carrying out activities described in paragraph (4), (5), or**
17 **(6)**), consistent, to the extent practicable as determined by the Secretary, with the
18 requirements applicable to States—

19 (i) \$120,000,000, to remain available until September 30, 2027, to carry out the
20 child care program in fiscal year 2022;

21 (ii) \$170,000,000, to remain available until September 30, 2027, to carry out
22 the child care program in fiscal year 2023; and

23 (iii) \$210,000,000, to remain available until September 30, 2027, to carry out
24 the child care program in fiscal year 2024.

25 (B) TERRITORY ENTITLEMENT.—In addition to amounts otherwise available, there is
26 appropriated to the Department of Health and Human Services, out of any money in
27 the Treasury not otherwise appropriated, such sums as may be necessary for each of
28 fiscal years 2025 through 2027, for payments to territories, for the purpose of carrying
29 out the child care program described in this section (**other than carrying out**
30 **activities described in paragraph (4), (5), or (6)**), consistent, to the extent practicable
31 as determined by the Secretary, with the requirements applicable to States.

32 (4) GRANTS TO LOCALITIES.—In addition to amounts otherwise available, there is
33 appropriated to the Department of Health and Human Services for fiscal year 2022, out of
34 any money in the Treasury not otherwise appropriated—

35 (A) ~~\$1,000,000,000~~ **\$950,000,000**, to remain available until September 30, 2027, to
36 carry out the program of grants to localities described in subsection (i)(2) in fiscal year
37 2023;

38 (B) ~~\$1,000,000,000~~ **\$950,000,000**, to remain available until September 30, 2027, to
39 carry out the program of grants to localities described in subsection (i)(2) in fiscal year
40 2024;

41 (C) ~~\$1,000,000,000~~ **\$950,000,000**, to remain available until September 30, 2027, to
42 carry out the program of grants to localities described in subsection (i)(2) in fiscal year

1 2025;
2 (D) ~~\$1,000,000,000~~ **\$950,000,000**, to remain available until September 30, 2027, to
3 carry out the program of grants to localities described in subsection (i)(2) in fiscal year
4 2026; and

5 (E) ~~\$1,000,000,000~~ **\$950,000,000**, to remain available until September 30, 2027, to
6 carry out the program of grants to localities described in subsection (i)(2) in fiscal year
7 2027.

8 (5) HEAD START EXPANSION IN NONPARTICIPATING STATES.—In addition to amounts
9 otherwise available, there is appropriated to the Department of Health and Human Services
10 for fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

11 (A) ~~\$3,000,000,000~~ **\$2,850,000,000**, to remain available until September 30, 2027,
12 to carry out the program of awards to Head Start agencies described in subsection
13 (i)(3) in fiscal year 2023;

14 (B) ~~\$3,000,000,000~~ **\$2,850,000,000**, to remain available until September 30, 2027,
15 to carry out the program of awards to Head Start agencies described in subsection
16 (i)(3) in fiscal year 2024;

17 (C) ~~\$3,000,000,000~~ **\$2,850,000,000**, to remain available until September 30, 2027,
18 to carry out the program of awards to Head Start agencies described in subsection
19 (i)(3) in fiscal year 2025;

20 (D) ~~\$3,000,000,000~~ **\$2,850,000,000**, to remain available until September 30, 2027,
21 to carry out the program of awards to Head Start agencies described in subsection
22 (i)(3) in fiscal year 2026; and

23 (E) ~~\$3,000,000,000~~ **\$2,850,000,000**, to remain available until September 30, 2027,
24 to carry out the program of awards to Head Start agencies described in subsection
25 (i)(3) in fiscal year 2027.

26 (6) FEDERAL ADMINISTRATION.—

27 (A) FISCAL YEARS 2022 THROUGH 2025.—In addition to amounts otherwise
28 available, there is appropriated to the Department of Health and Human Services for
29 fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

30 (i) \$130,000,000, to remain available until September 30, 2027, to carry out
31 subsections (k) and (l) in fiscal year 2022;

32 (ii) \$130,000,000, to remain available until September 30, 2027, to carry out
33 subsections (k) and (l) in fiscal year 2023;

34 (iii) \$130,000,000, to remain available until September 30, 2027, to carry out
35 subsections (k) and (l) in fiscal year 2024; and

36 (iv) \$130,000,000, to remain available until September 30, 2027, to carry out
37 subsections (k) and (l) in fiscal year 2025.

38 (B) FISCAL YEARS 2026 THROUGH 2027.—In addition to amounts otherwise
39 available, there is appropriated to the Department of Health and Human Services, out
40 of any money in the Treasury not otherwise appropriated, for each of fiscal years 2026

1 and 2027, an amount equal to 1.06 percent of the prior year's appropriation under
2 paragraph (1)(B), to carry out subsections (k) and (l).

3 (d) Establishment of Birth Through Five Child Care and Early Learning Entitlement
4 Program.—

5 (1) IN GENERAL.—The Secretary is authorized to administer a child care and early
6 learning entitlement program under which an eligible child, in a State, territory, or Indian
7 Tribe, or served by a Tribal organization, with an approved application under subsection (f)
8 or (g), shall be provided an opportunity to obtain high-quality child care services, subject to
9 the requirements of this section.

10 (2) ASSISTANCE FOR EVERY ELIGIBLE CHILD.—Beginning on October 1, 2024, every child
11 who applies for assistance under this section, **who is** in a State with an approved application
12 under subsection (g), or in a territory or Indian Tribe or served by a Tribal organization with
13 an approved application under subsection (f), and who is determined, by a lead agency (or
14 other entity designated by a lead agency) **for the State, territory, Indian Tribe, or Tribal**
15 **organization involved**, following standards and procedures established by the Secretary by
16 rule, to be an eligible child, shall be offered assistance for direct child care services in
17 accordance with and subject to the requirements and limitations of this section.

18 (e) Lead Agency.—The Governor of a State or the head of a territory or Indian Tribe, desiring
19 for the State, territory, or Indian tribe or a related tribal organization to receive a payment under
20 this section, shall designate a lead agency (such as a State agency or joint interagency office) to
21 administer the child care program carried out under this section.

22 (f) Applications and State Plans.—

23 (1) APPLICATION.—To be eligible to receive assistance under this section, a State shall
24 prepare and submit to the Secretary for approval an application containing a State plan
25 that—

26 (A) for a transitional State plan, meets the requirements under paragraph (3) and
27 contains such information as the Secretary may require, to demonstrate the State will
28 meet the requirements of this section; and

29 (B) for a full State plan, meets the requirements under paragraph (4) and contains
30 that information.

31 (2) PERIOD COVERED BY PLAN.—A State plan contained in the application shall be
32 designed to be implemented—

33 (A) for a transitional State plan, during a period of not more than 3 years; and

34 (B) for a full State plan, during a period of not more than 3 years.

35 (3) REQUIREMENTS FOR TRANSITIONAL STATE PLANS.—For a period of not more than 3
36 years following the date of enactment of this Act, the Secretary shall award funds under this
37 section to States with an approved application that contains a transitional State plan,
38 submitted under paragraph (1)(A) ~~that includes~~ **at such time, in such manner, and**
39 **containing such information as the Secretary shall require, including**, at a minimum—

40 (A) an assurance that the State will submit a State plan under paragraph (4); and

1 (B) a description of how the funds received by the State under this section will be
2 spent to expand access to assistance for direct child care services and increase the
3 supply and quality of child care providers within the State, in alignment with the
4 requirements of this section.

5 (4) REQUIREMENTS FOR FULL STATE PLANS.—The Secretary shall award funds under this
6 section to States with an approved application that contains a full State plan, submitted
7 under paragraph (1)(B), ~~that includes~~ **at such time, in such manner, and containing such**
8 **information as the Secretary shall by rule require, including**, at a minimum, the
9 following:

10 (A) PAYMENT RATES AND COST ESTIMATION.—

11 (i) PAYMENT RATES.—The State plan shall certify that payment rates for the
12 provision of direct child care services for which assistance is provided in
13 accordance with this section for the period covered by the plan, within 3 years
14 after the State **first** receives funds under this section—

15 (I) will be sufficient to meet the cost of child care, and set in accordance
16 with a cost estimation model or cost study described in clause (ii) that is
17 approved by the Secretary; and

18 (II) will correspond to differences in quality (including improved quality)
19 based on the State’s tiered system for measuring the quality of eligible child
20 care providers described in subparagraph (B).

21 (ii) COST ESTIMATION.—Such State plan shall—

22 (I) demonstrate that the State has, after consulting with relevant entities
23 and stakeholders, developed and uses a statistically valid and reliable cost
24 estimation model or cost study for the payment rates for direct child care
25 services in the State that reflect rates for providers at each of the tiers of the
26 State’s tiered system for measuring the quality of eligible child care
27 providers described in subparagraph (B), and variations in the cost of direct
28 child care services by geographic area, type of provider, and age of child,
29 and the additional costs associated with providing inclusive care;

30 (II) certify that the State’s payment rates for direct child care services for
31 which assistance is provided in accordance with this section—

32 (aa) are set in accordance with the most recent estimates from the
33 most recent cost estimation model or cost study under subclause (I), so
34 that providers at each tier of the tiered system for measuring provider
35 quality described in subparagraph (B) receive a payment that is
36 sufficient to meet the requirements of such tier;

37 (bb) are set so as to provide payments to providers not at the top tier
38 of the tiered system that are sufficient to enable the providers to
39 increase quality to meet the requirements for the next tier;

40 (cc) ensure adequate wages for staff of child care providers providing
41 such direct child care services that—

1 (AA) at a minimum, provide a living wage for all staff of such
2 child care providers; and

3 (BB) are equivalent to wages for elementary educators with similar
4 credentials and experience in the State; and

5 (dd) are adjusted on an annual basis for cost of living increases to
6 ensure those payment rates remain sufficient to meet the requirements
7 of this section; and

8 (III) certify that the State will update, not less often than once every 3
9 years, the cost estimation model or cost study described in subclause (I).

10 (iii) PAYMENT PRACTICES.—Such State plan shall include an assurance that the
11 State will implement payment practices that support the fixed costs of providing
12 direct child care services.

13 (B) TIERED SYSTEM FOR MEASURING THE QUALITY OF ELIGIBLE CHILD CARE
14 PROVIDERS.—Such State plan shall certify that the State has implemented, or assure
15 that the State will implement within 3 years after **first** receiving funds under this
16 section, a tiered system for measuring the quality of eligible child care providers who
17 provide child care services for which assistance is made available under this section.
18 Such tiered system shall—

19 (i) include a set of standards, for determining the tier of quality of a child care
20 provider, that—

21 (I) uses standards for a highest tier that at a minimum are equivalent to
22 Head Start program performance standards described in section
23 641A(a)(1)(B) of the Head Start Act (42 U.S.C. 9836a(a)(1)(B)) or other
24 equivalent evidence-based standards approved by the Secretary; and

25 (II) includes quality indicators and thresholds that are appropriate for child
26 development in different types of child care provider settings, including child
27 care centers and the settings of family child care providers, and are
28 appropriate for providers serving different age groups (including mixed age
29 groups) of children;

30 (ii) include a different set of standards that includes indicators, when
31 appropriate, for care during nontraditional hours of operation; and

32 (iii) provide for sufficient resources and supports for child care providers at
33 tiers lower than the highest tier to facilitate progression toward meeting higher
34 quality standards.

35 (C) ACHIEVING HIGH QUALITY FOR ALL CHILDREN.—Such State plan shall certify the
36 State has implemented, or will implement within 3 years after **first** receiving funds
37 under this section, policies and financing practices that will ensure all eligible children
38 can choose to attend child care at the highest quality tier within 6 years after the date of
39 enactment of this Act.

40 (D) COMPENSATION.—Such plan shall provide a certification that the State has or
41 will have within 3 years after **first** receiving funds under this section, a wage ladder for

1 staff of eligible child care providers receiving assistance under this section, including a
2 certification that wages for such staff, at a minimum, will meet the requirements of
3 subparagraph (A)(ii)(II)(cc).

4 (E) SLIDING FEE SCALE FOR COPAYMENTS.—

5 (i) IN GENERAL.—Except as provided in clause (ii)(I), the State plan shall
6 provide an assurance that the State will for the period covered by the plan use a
7 sliding fee scale described in clause (ii) to determine a copayment for a family
8 receiving assistance under this section (or, for a family receiving part-time care, a
9 reduced copayment that is the proportionate amount of the full copayment).

10 (ii) SLIDING FEE SCALE.—A full copayment described in clause (i) shall use a
11 sliding fee scale that provides that, for a family with a family income—

12 (I) of not more than 75 percent of State median income for a family of the
13 same size, the family shall not pay a copayment, toward the cost of the child
14 care involved for all eligible children in the family;

15 (II) of more than 75 percent but not more than 100 percent of State median
16 income for a family of the same size, the copayment shall be more than 0 but
17 not more than 2 percent of that family income, toward such cost for all such
18 children;

19 (III) of more than 100 percent but not more than 125 percent of State
20 median income for a family of the same size, the copayment shall be more
21 than 2 but not more than 4 percent of that family income, toward such cost
22 for all such children;

23 (IV) of more than 125 percent but not more than 150 percent of State
24 median income for a family of the same size, the copayment shall be more
25 than 4 but not more than 7 percent of that family income, toward such cost
26 for all such children; and

27 (V) of more than 150 percent but not more than 250 percent of the State
28 median income for a family of the same size, the copayment shall be 7
29 percent of that family income, toward such cost for all such children.

30 (F) PROHIBITION ON CHARGING MORE THAN COPAYMENT.—The State plan shall
31 certify that the State will not permit a child care provider receiving financial assistance
32 under this section to charge, for child care for an eligible child, more than the total
33 of—

34 (i) the financial assistance provided for the child under this section; and

35 (ii) any applicable copayment pursuant to subparagraph (E).

36 (G) ELIGIBILITY.—The State plan shall assure that each child who receives
37 assistance under this section will be considered to meet all eligibility requirements for
38 such assistance, and will receive such assistance, for not less than 12 months unless the
39 child has aged out of the program, and the child's eligibility determination and
40 redetermination, including any determination based on the State's definition of eligible
41 activities, shall be implemented in a manner that supports child well-being and reduces

1 barriers to enrollment, including continuity of services.

2 (H) POLICIES TO SUPPORT ACCESS TO CHILD CARE FOR UNDERSERVED
3 POPULATIONS.—The State plan shall demonstrate that the State will prioritize
4 increasing access to, and the quality and the supply of, child care in the State for
5 underserved populations, including at a minimum, low-income children, children in
6 underserved areas, infants and toddlers, children with disabilities and infants and
7 toddlers with disabilities, children who are dual language learners, ~~and~~ **children**
8 **experiencing homelessness, children in foster or kinship care,** children who receive
9 care during nontraditional hours, **and vulnerable children as defined by the lead**
10 **agency pursuant to subsection (b)(4)(A)(iv)(II).**

11 (I) POLICIES.—The State plan shall include a certification that the State will apply,
12 under this section, the policies and procedures described in subparagraphs (A), (B), (I),
13 (J), (K)(i), (R), and (U) of section 658E(c)(2) of the Child Care and Development
14 Block Grant Act of 1990 (42 U.S.C. 9858c(c)(2)), and the policies and procedures
15 described in section 658H of such Act (42 U.S.C. 9858f), to child care services
16 provided under this section.

17 (J) LICENSING.—The State plan shall demonstrate that the State has consulted or will
18 consult with organizations (including labor organizations) representing child care
19 directors, teachers, or other staff, early childhood education and development experts,
20 and families to develop, within ~~3~~ **2.5** years after **first** receiving funds under this
21 section, licensing standards appropriate for child care providers and a pathway to such
22 licensure that is available to and appropriate for child care providers in a variety of
23 settings, that will offer providers eligible under the Child Care and Development Block
24 Grant Act of 1990 a reasonable pathway to become eligible providers under this
25 section, and that will assure an adequate supply of child care. **Such plan shall**
26 **describe the timeline the State will use to ensure sufficient time for providers**
27 **described in subsection (b)(5)(B) to comply with such licensing standards in order**
28 **to remain eligible providers after 3.5 years after the State first receives funding**
29 **under this section.**~~(g) Payments.—~~

30 ~~(1) Transition payments~~**(g) Payments.—**

31 **(1) PAYMENTS FOR FISCAL YEARS 2022 THROUGH 2024.—**

32 (A) DEFINITIONS.—For purposes of this paragraph—

33 (i) the term “State” means the 50 States, the District of Columbia, and the
34 Commonwealth of Puerto Rico; and

35 (ii) the term “territory” means Guam, American Samoa, the Commonwealth of
36 the Northern Mariana Islands, and the United States Virgin Islands.

37 (B) ALLOTMENTS.—For each of fiscal years 2022 through 2024, the Secretary shall,
38 from the amount appropriated under subsection (c)(1)(A) for such fiscal year, make
39 allotments to each State with an application approved under subsection (f) in the same
40 manner as the Secretary makes such allotments using the formula under section
41 658O(b) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C.
42 ~~9858n(b))~~ **9858m(b)).**

1 (C) PAYMENTS.—

2 (i) INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—

3 (I) IN GENERAL.—For each of fiscal years 2022 through 2024, from the
4 amount appropriated for Indian Tribes and Tribal organizations under
5 subsection (c)(2)(A), the Secretary shall make payments to Indian Tribes and
6 Tribal organizations with an application approved under subclause (II), and
7 the Tribes and Tribal organizations shall be entitled to such payments for the
8 purpose of carrying out the child care program described in this section,
9 consistent, to the extent practicable as determined by the Secretary, with the
10 requirements applicable to States.

11 (II) APPLICATIONS.—An Indian Tribe or Tribal organization seeking a
12 payment under this clause shall submit an application to the Secretary at such
13 time, in such manner, and containing such information as the Secretary may
14 specify, including ~~the~~ **an agreement described in to provide reports under**
15 subsection (j)(7).

16 (III) SPECIAL RULE.—The Secretary shall determine eligibility criteria for
17 children from Indian tribes **who are less than 6 years of age and not yet in**
18 **kindergarten, which eligibility criteria shall not be more stringent than**
19 **the eligibility criteria under subsection (b)(4)(A).**

20 (ii) TERRITORIES.—

21 (I) IN GENERAL.—For each of fiscal years 2022 through 2024, from the
22 amount appropriated for territories under subsection (c)(3)(A), the Secretary
23 shall make payments to the territories with an application approved under
24 subclause (II), and the territories shall be entitled to such payments, for the
25 purpose of carrying out the child care program described in this section,
26 consistent, to the extent practicable as determined by the Secretary, with the
27 requirements applicable to States.

28 (II) APPLICATIONS.—A territory seeking a payment under this clause shall
29 submit an application to the Secretary at such time, in such manner, and
30 containing such information as the Secretary may specify, including ~~the~~ **an**
31 **agreement described in to provide reports under** subsection (j)(7).

32 (iii) STATES.—For each of fiscal years 2022 through 2024, each State that has
33 an application approved under subsection (f) shall be entitled to a payment under
34 this clause in the amount equal to its allotment under subparagraph (B) for such
35 fiscal year.

36 (D) AUTHORITIES.—NOTWITHSTANDING AUTHORITIES.—

37 (i) **FISCAL YEARS 2022 THROUGH 2024.**—**Notwithstanding** any other
38 provision of this paragraph, for each of fiscal years 2022 through 2024, the
39 Secretary shall have the ~~authority~~ **authority**—

40 (I) to reallocate funds that were allotted under subparagraph (B) from any
41 State without an approved application under subsection (f), ~~Indian Tribe or~~
42 ~~Tribal organization without an approved application under subparagraph~~

1 ~~(C)(i)(II), and any territory without an approved application under~~
2 ~~subparagraph (C)(ii)(II) by the date required by the Secretary, to States with~~
3 ~~an approved application under that subsection, to Tribes or Tribal~~
4 ~~organizations with; and~~

5 **(II) to reallocate any amounts available for payments under**
6 **subparagraph (C) that the Secretary elected to allot for—**

7 **(aa) an Indian Tribe or Tribal organization without** an approved
8 ~~application under subparagraph (C)(i)(II), and to territories with—~~ **by**
9 **the date required by the Secretary, to Tribes or Tribal**
10 **organizations with such an approved application; and**

11 **(bb) any territory without** an approved application under
12 ~~subparagraph (C)(ii)(II) by the date required by the Secretary, to~~
13 ~~territories with such an approved application.~~

14 **(ii) FISCAL YEAR 2025.—Notwithstanding any other provision of this**
15 **section, on October 1, 2024, the Secretary shall have the authority to reallocate**
16 **funds from payments made under subparagraph (C) that are unobligated on**
17 **such date, to any entity without such unobligated funds that is a State with**
18 **an approved application under subsection (f), an Indian Tribe or Tribal**
19 **organization with an approved application under subparagraph (C)(i)(II), or**
20 **a territory with an approved application under subparagraph (C)(ii)(II), to**
21 **carry out the purposes of this section.**

22 (2) PAYMENTS FOR FISCAL YEARS 2025 THROUGH 2027.—

23 (A) IN GENERAL.—For each of fiscal years 2025 through 2027:

24 (i) CHILD CARE ASSISTANCE FOR ELIGIBLE CHILDREN.—

25 (I) IN GENERAL.—The Secretary shall pay to each State with an approved
26 application under subsection (f), and that State shall be entitled to, an amount
27 for each quarter equal to 95.440 percent of expenditures (which shall be the
28 Federal share of such expenditures) in the quarter for direct child care
29 services described under subsection (h)(2)(B) for eligible children.

30 (II) EXCEPTION.—Funds reserved from the total under subsection
31 (h)(2)(C) shall be subject to clause (ii).

32 (III) PROHIBITION.—Activities described in clause (ii) and clause (iii) may
33 not be included in the cost of direct child care services described in this
34 clause.

35 (ii) ACTIVITIES TO IMPROVE THE QUALITY AND SUPPLY OF CHILD CARE
36 SERVICES.—The Secretary shall pay to each State with such an approved
37 application, and that State shall be entitled to, an amount equal to the product of
38 1.06045 and the FMAP of expenditures (which product shall be the Federal share
39 of such expenditures) to carry out activities to improve the quality and supply of
40 child care services under subsection (h)(2)(C) subject to the limit specified in
41 clause (i) of such subsection.

1 (iii) ADMINISTRATION.—The Secretary shall pay to each State with such an
2 approved application, and that State shall be entitled to, an amount equal to
3 53.022 percent of expenditures (which shall be the Federal share of such
4 expenditures) for the costs of administration incurred by the State—

5 (I) which shall include costs incurred by the State in carrying out the child
6 care program established in this section; and

7 (II) which may include, at the option of the State, costs associated with
8 carrying out requirements, policies, and procedures described in section
9 658H of the Child Care and Development Block Grant Act of 1990 (42
10 U.S.C. 9858f).

11 (B) ADVANCE PAYMENT; RETROSPECTIVE ADJUSTMENT.—For each of fiscal years
12 2025 through 2027, the Secretary shall make payments under this paragraph for a
13 period on the basis of advance estimates of expenditures submitted by the State and
14 such other investigation as the Secretary may find necessary, and shall reduce or
15 increase the payments as necessary to adjust for any overpayment or underpayment for
16 previous periods. No interest shall be charged or paid on any amount due because of an
17 overpayment or underpayment for previous periods.

18 (C) TERRITORIES AND TRIBES.—For each of fiscal years 2025 through 2027, from the
19 amounts appropriated under paragraph (2)(B) or (3)(B) of subsection (c) the Secretary
20 shall make payments to territories, and Indian Tribes and Tribal organizations, as the
21 case may be, with applications submitted as described in paragraph (1), and approved
22 by the Secretary for the purpose of carrying out the child care program described in
23 this section, consistent, to the extent practicable as determined by the Secretary
24 (subject to subsection (d)(2)), with the requirements applicable to States. **The**
25 **Secretary shall make the payments to such territories, Indian Tribes, and Tribal**
26 **organizations on the basis of their relative need.** Each entity that is such a territory,
27 Indian Tribe, or Tribal organization shall be entitled to such a payment as may be
28 necessary to carry out the activities described in subsection (h)(2), and to pay for the
29 costs of administration incurred by the entity, which shall include costs incurred by the
30 entity in carrying out the child care program, and which may include, at the option of
31 the entity, costs associated with carrying out requirements, policies, and procedures
32 described in section 658H of the Child Care and Development Block Grant Act of
33 1990.

34 (h) Use of Funds.—

35 (1) USE OF FUNDS FOR **FISCAL YEARS 2022 THROUGH 2024.**—~~For transition years.~~

36 ~~(A) In general.~~—For each of fiscal years 2022 through 2024, a State (as defined in
37 subsection (g)(1)) that receives a payment under subsection (g)(1) shall use such payment
38 for—

39 ~~(A)~~(A) assistance for direct child care services, which shall consist only of—

40 ~~(I) expanding access to~~(i) assistance for direct child care services for eligible
41 children through grants and contracts, and child care certificates;

42 ~~(H)~~(ii) increasing child care provider payment rates to support the cost of

1 providing high-quality direct child care services, including rates sufficient to
2 support increased wages for staff of eligible child care providers; and

3 ~~(H)(iii)~~ **(iii)** waiving or reducing copayments, to ensure that the families of children
4 receiving assistance under this section do not pay more than 7 percent of family
5 income toward the cost of the child care involved for all eligible children in the
6 family;

7 ~~(ii)(B)~~ **(B)** activities described in paragraph (2)(C); ~~and, without regard to the~~
8 **requirement in clause (i)(I) of such paragraph or to the references to a quality**
9 **child care amount in such paragraph; and**

10 ~~(iii) activities described in subsection (g)(2)(A)(iii).~~

11 ~~(B) Activities. — A State that receives an amount through the payments for a fiscal~~
12 ~~year for activities described in subparagraph (A)(iii), and uses only part of that amount~~
13 ~~for those activities, shall use the remainder for activities described in clause (i) or (ii)~~
14 ~~of subparagraph (A) for that fiscal year.~~

15 ~~(C) Special rule. —~~

16 ~~(i) Covered child. — In this subparagraph, the term “covered child” means a child —~~

17 ~~(I) who meets the requirements of subparagraphs (A), (B), and (D) of subsection~~
18 ~~(b)(4); and~~

19 ~~(II) whose family income, for the fiscal year, exceeds the percentage specified in~~
20 ~~subsection (b)(4)(C) (but does not exceed 250 percent) of State median income for a~~
21 ~~family of the same size for that fiscal year.~~

22 ~~(ii) Rule. — A State may use the payments under subsection (g)(1) for fiscal year~~
23 ~~2022, 2023, or 2024, to provide direct child care services described in subparagraph~~
24 ~~(A)(i) to covered children if the State has appropriately prioritized enrollment to~~
25 ~~receive such services based on family income, as determined by the Secretary. A child~~
26 ~~who is eligible to receive such services under this subparagraph shall be treated as an~~
27 ~~eligible child for the other provisions of this section.~~ **(C) costs of administration**
28 **incurred by the State, which shall include the costs described in subclause (I) of**
29 **subsection (g)(2)(A)(iii) and may, at the option of the State, include the costs**
30 **described in subclause (II) of such subsection.**

31 (2) USE OF FUNDS FOR FISCAL YEARS 2025 THROUGH 2027. —

32 (A) IN GENERAL. — Starting on October 1, 2024, a State shall use amounts provided
33 to the State under subsection (g)(2) for direct child care services (provided on a sliding
34 fee scale basis), activities to improve the quality and supply of child care services
35 consistent with paragraph (C), and State administration consistent with subsection
36 (g)(2)(A)(iii).

37 (B) CHILD CARE ASSISTANCE FOR ELIGIBLE CHILDREN. —

38 (i) IN GENERAL. — For each of fiscal years 2025 through 2027, from payments
39 made to the State under subsection (g)(2) for that particular fiscal year, the State
40 shall ensure that parents of eligible children can access direct child care services
41 provided by an eligible child care provider under this section through a grant or

1 contract as described in clause (ii) or a certificate as described in clause (iii).

2 (ii) GRANTS AND CONTRACTS.—The State shall award grants or contracts to
3 eligible child care providers, consistent with the requirements under this section,
4 for the provision of child care services for eligible children under this section that,
5 at a minimum—

6 (I) support providers' operating expenses to meet and sustain health,
7 safety, quality, and wage standards required under this section; and

8 (II) address underserved populations described in subsection (f)(4)(H).

9 (iii) CERTIFICATES.—The State shall issue a child care certificate directly to a
10 parent who shall use such certificate only as payment for direct child care services
11 or as a deposit for direct child care services if such a deposit is required of other
12 children being cared for by the provider, consistent with the requirements under
13 this section.

14 (C) ACTIVITIES TO IMPROVE THE QUALITY AND SUPPLY OF CHILD CARE SERVICES.—

15 (i) QUALITY CHILD CARE ACTIVITIES.—

16 (I) AMOUNT.—For each of fiscal years 2025 through 2027, from the total
17 of the payments made to the State for a particular fiscal year, the State shall
18 reserve and use a quality child care amount equal to not less than 5 percent
19 and not more than 10 percent of the amount made available to the State
20 through such payments for the previous fiscal year.

21 (II) USE OF QUALITY CHILD CARE AMOUNT.—Each State shall use the
22 quality child care amount described in subclause (I) to implement activities
23 described in this subparagraph to improve the quality and supply of child
24 care services by eligible child care providers, and increase the number of
25 available slots in the State for child care services funded under this section,
26 prioritizing assistance for child care providers who are in underserved
27 communities and who are providing, or are seeking to provide, child care
28 services for underserved populations identified in subsection (f)(4)(H).

29 (III) ~~ADMINISTRATION.—ASSISTANCE PROVIDED~~

30 **ADMINISTRATION.—Activities funded** under this subparagraph may be
31 administered—

32 (aa) directly by the lead agency; or

33 (bb) through other State government agencies, local or regional child
34 care resource and referral organizations, community development
35 financial institutions, other intermediaries with experience supporting
36 child care providers, or other appropriate entities that enter into a
37 contract with the State to provide such assistance.

38 (ii) ~~ACTIVITIES.—ACTIVITIES QUALITY AND SUPPLY ACTIVITIES.~~—**Activities**
39 **funded** under the quality child care amount described in clause (i) shall include
40 each of the following:

41 (I) **STARTUP GRANTS AND SUPPLY EXPANSION GRANTS.**—

1 (aa) IN GENERAL.—From a portion of the quality child care amount, a
2 State shall make startup and supply expansion grants to support child
3 care providers who are providing, or seeking to provide, child care
4 services to children receiving assistance under this section, with priority
5 for providers providing or seeking to provide child care in underserved
6 communities and for underserved populations identified in subsection
7 (f)(4)(H), to—

8 (AA) support startup and expansion costs; and

9 (BB) assist such providers in meeting health and safety
10 requirements, achieving licensure, and meeting requirements in the
11 State’s tiered system for measuring the quality of eligible child care
12 providers.

13 (bb) REQUIREMENT.—As a condition of receiving a startup or supply
14 expansion grant under this subclause, a child care provider shall commit
15 to meeting the requirements of an eligible provider under this section,
16 and providing child care services to children receiving assistance under
17 this section on an ongoing basis.

18 (II) QUALITY GRANTS.—From a portion of the quality child care amount, a
19 State shall provide quality grants to support eligible child care providers in
20 providing child care services to children receiving assistance under this
21 section to improve the quality of such providers, including—

22 (aa) supporting such providers in meeting or making progress toward
23 the requirements for the highest tier of the State’s tiered system for
24 measuring the quality of eligible child care providers under subsection
25 (f)(4)(B); and

26 (bb) supporting such providers in sustaining child care quality,
27 including supporting increased wages for staff and supporting payment
28 of fixed costs.

29 (III) FACILITIES GRANTS.—

30 (aa) IN GENERAL.—From a portion of the quality child care amount, a
31 State shall provide support, including through awarding facilities grants,
32 for remodeling, renovation, or repair of a building or facility to the
33 extent permitted under section 658F(b) of the Child Care and
34 Development Block Grant Act of 1990 (42 U.S.C. 9858).

35 (bb) ADDITIONAL USES.—For fiscal years 2022 through 2024, and in
36 subsequent years with approval from the Secretary, a State may award
37 such facilities grants for construction, permanent improvement, or
38 major renovation of a building or facility primarily used for providing
39 direct child care services, in accordance with the following:

40 (AA) Federal interest provisions will not apply to the renovation or
41 rebuilding of privately-owned family child care homes under this
42 subclause.

1 (BB) Eligible child care providers may not use funds for buildings
2 or facilities that are used primarily for sectarian instruction or
3 religious worship.

4 (CC) The Secretary shall develop parameters on the use of funds
5 under this subclause for family child care homes.

6 (DD) The Secretary shall not retain Federal interest after a period
7 of 10 years in any facility built, renovated, or repaired with funds
8 awarded under this subclause.

9 (IV) LIMITATION.—For purposes of subclause (III), the Secretary shall
10 not—

11 (aa) enter into any agreement related to funds for activities carried
12 out under subclause (III)—

13 (AA) that is for a term extending beyond September 30, 2031; and

14 (BB) under which any payment could be outlaid after September
15 30, 2031; or

16 (bb) use any other funds available to the Secretary, other than funds
17 provided under this section, to satisfy obligations initially made for
18 activities carried out under subclause (III).

19 (V) STATE ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE
20 SERVICES.—A State shall use a portion of the quality child care amount to
21 improve the quality of child care services available for this program, which
22 shall include—

23 (aa) supporting the training and professional development of the early
24 childhood workforce, including supporting degree attainment and
25 credentialing for early childhood educators;

26 (bb) developing, implementing, or enhancing the State’s tiered
27 system for measuring the quality of eligible child care providers under
28 subsection (f)(4)(B);

29 (cc) improving the supply and quality of developmentally appropriate
30 and inclusive child care programs and services for underserved
31 populations described in subsection (f)(4)(H); ~~and~~

32
33 (dd) improving access to child care services for ~~children experiencing~~
34 ~~homelessness and children in foster care.~~ **vulnerable children as**
35 **defined by the lead agency pursuant to subsection (b)(4)(A)(iv)(II);**
36 **and**

37 **(ee) providing outreach and enrollment support for families of**
38 **eligible children.**

39 (VI) TECHNICAL ASSISTANCE.—From a portion of the quality child care
40 amount, the State shall provide technical assistance to increase the supply

1 and quality of eligible child care providers who are providing, or seeking to
2 provide, child care services to children receiving assistance under this
3 section, including providing support to enable providers to achieve licensure.

4 (i) Grants to Localities and Awards to Head Start Programs.—

5 (1) ELIGIBLE LOCALITY DEFINED.—In this subsection, the term “eligible locality” means a
6 city, county, or other unit of general local government.

7 (2) GRANTS TO LOCALITIES.—

8 (A) IN GENERAL.—The Secretary shall use funds appropriated under subsection
9 (c)(4) to award local Birth Through Five Child Care and Early Learning Grants, **in**
10 **accordance with rules established by the Secretary**, to eligible localities located in
11 States that have not received payments under subsection (g). The Secretary shall award
12 the grants to eligible localities in such a State from the allotment made for that State
13 under subparagraph (B).

14 (B) ALLOTMENTS.—

15 (i) POVERTY LINE DEFINED.—In this subparagraph, the term “poverty line”
16 means the poverty line defined and revised as described in section 673 of the
17 Community Services Block Grant Act (42 U.S.C. 9902).

18 (ii) GENERAL AUTHORITY.—For each State described in subparagraph (A), the
19 Secretary shall allot for the State for a fiscal year an amount that bears the same
20 relationship to the funds appropriated under subsection (c)(4) for the fiscal year as
21 the number of children from families with family incomes that are below 200
22 percent of the poverty line, and who are under the age of 6, in the State bears to
23 the total number of all such children in all States described in subparagraph (A).

24 (C) APPLICATION.—To receive a grant from the corresponding State allotment under
25 subparagraph (B), an eligible locality shall submit an application to the Secretary at
26 such time, in such manner, and containing such information as the Secretary may
27 require. The requirements for the application shall, to the greatest extent practicable, be
28 consistent with the State plan requirements applicable to States under subsection (f).

29 (D) REQUIREMENTS.—The Secretary shall specify the requirements for an eligible
30 locality to provide access to child care, which child care requirements shall, to the
31 greatest extent practicable, be consistent with the requirements applicable to States
32 under this section.

33 (E) RECOUPMENT OF UNUSED FUNDS.—Notwithstanding any other provision of this
34 section, for each of fiscal years 2023 through 2027, the Secretary shall have the
35 authority to recoup any unused funds allotted under subparagraph (B) for awards under
36 paragraph (3)(A) to Head Start agencies in accordance with paragraph (3).

37 (3) HEAD START EXPANSION IN NONPARTICIPATING STATES.—

38 (A) IN GENERAL.—~~IF THE SECRETARY DETERMINES THAT AN AREA OF~~
39 **GENERAL.—The Secretary shall use funds appropriated under subsection (c)(5) or**
40 **recouped under paragraph (2) to make awards to Head Start agencies in** a State
41 ~~described in paragraph (2)(A) will not be adequately served under this subsection,~~

1 ~~either because no eligible locality applied to serve the area or because no application-~~
2 ~~submitted by an eligible locality was considered sufficient, then the Secretary shall use~~
3 ~~funds appropriated under subsection (e)(5) to make an award to a Head Start agency to~~
4 ~~carry out the purposes of the Head Start Act in that area~~ **such State.**

5 (B) **RULE.**—For purposes of carrying out the Head Start Act in circumstances not
6 involving awards under this paragraph, funds awarded under subparagraph (A) shall
7 not be included in the calculation of a “base grant” as such term is defined in section
8 640(a)(7)(A) of the Head Start Act (42 U.S.C. 9835(a)(7)(A)).

9 (C) **DEFINITION.**—**In this paragraph, the term “Head Start agency” means an**
10 **entity designated or eligible to be designated as a Head Start agency under section**
11 **641(a)(1) of the Head Start Act or as an Early Head Start agency (by receiving a**
12 **grant) under section 645A(a) of such Act.**

13 (4) **PRIORITY FOR SERVING UNDERSERVED POPULATIONS.**—In making determinations to
14 award a grant or make an award under this subsection, the Secretary shall give priority to
15 entities serving a high percentage of individuals from underserved populations described in
16 subsection (f)(4)(H).

17 (j) **Program Requirements.**—

18 (1) **NONDISCRIMINATION.**—The following provisions of law shall apply to any program
19 or activity that receives funds provided under this section:

20 (A) Title IX of the Education Amendments of 1972.

21 (B) Title VI of the Civil Rights Act of 1964.

22 (C) Section 504 of the Rehabilitation Act of 1973.

23 (D) The Americans with Disabilities Act of 1990.

24 (E) Section 654 of the Head Start Act.

25 (2) **PROHIBITION ON ADDITIONAL ELIGIBILITY REQUIREMENTS.**—No individual shall be
26 determined, by the Secretary, a State, or another recipient of funds under this section, to be
27 ineligible for child care services provided under this section, except on the basis of
28 eligibility requirements specified in or under this section.

29 (3) **MAINTENANCE OF EFFORT.**—

30 (A) **IN GENERAL.**—A State that receives payments under this section for a fiscal
31 year, in using the funds made available through the payments, shall maintain the
32 expenditures of the State for child care services at the average level of such
33 expenditures by the State for the 3 preceding fiscal years.

34 (B) **COUNTING RULE.**—State expenditures counted for purposes of meeting the
35 requirement in subparagraph (A) may also be counted for purposes of meeting the
36 requirement to provide a non-Federal share under clause (i), (ii), or (iii), as appropriate,
37 of subsection (g)(2)(A).

38 (4) **SUPPLEMENT NOT SUPPLANT.**—Funds received under this section shall be used to
39 supplement and not supplant other Federal, State, and local public funds expended to
40 provide child care services in the State **on the date of enactment of this Act, calculated as**

1 **the average amount of such Federal, State, and local public funds expended for fiscal**
2 **years 2019, 2020, and 2021.**

3 (5) ALLOWABLE SOURCES OF NON-FEDERAL SHARE.—For purposes of providing the
4 non-Federal share required under subsection (g)(2), a State’s non-Federal share—

5 (A) for direct child care services described in subsection (g)(2)(A)(i)—

6 (i) shall not include contributions being used as a non-Federal share or match
7 for another Federal award; and

8 (ii) shall be provided from State or local sources, contributions from
9 philanthropy or other private organizations, or a combination of such sources and
10 contributions; and

11 (B) for activities to improve the quality and supply of child care services described
12 in subsection (g)(2)(A)(ii), and administration described in subsection (g)(2)(A)(iii)—

13 (i) shall not include contributions being used as a non-Federal share or match
14 for another Federal award;

15 (ii) shall be provided from State or local sources, contributions from
16 philanthropy or other private organizations, or a combination of such sources and
17 contributions; and

18 (iii) may be in cash or in kind, fairly evaluated, including facilities or property,
19 equipment, or services.

20 (6) INFORMATION FOR DETERMINATIONS.—For purposes of determinations of
21 participation in an eligible activity, the provision of information for such determinations by
22 Federal agencies other than the Department of Health and Human Services shall not be
23 required.

24 (7) ~~REPORTS.—THE STATE PLAN DESCRIBED IN SUBSECTION (F) SHALL INCLUDE AN~~
25 ~~AGREEMENT TO~~ **REPORTS.—A State, Indian Tribe, Tribal organization, or territory**
26 **receiving funds under this section shall** provide to the Secretary such periodic reports,
27 providing a detailed accounting of the uses of the funds received under this section, as the
28 Secretary may require for the administration of this section. The State, **Indian Tribe,**
29 **Tribal organization, or territory** shall begin to provide the reports beginning not later than
30 60 days after its initial receipt of a payment under subsection (g)(1).

31 (k) Monitoring and Enforcement.—

32 (1) REVIEW OF COMPLIANCE WITH REQUIREMENTS AND STATE PLAN.—The Secretary shall
33 review and monitor compliance of States, territories, Tribal entities, and local entities with
34 this section and State compliance with the plan described in subsection (f)(4).

35 (2) ISSUANCE OF RULE.—The Secretary shall establish by rule procedures for—

36 (A) receiving, processing, and determining the validity of complaints or findings
37 concerning any failure of a State to comply with the State plan or any other
38 requirement of this section;

39 (B) notifying a State when the Secretary has determined there has been a failure by
40 the State to comply with a requirement of this section; and

1 (C) imposing sanctions under this subsection for such a failure.

2 (l) Federal Administration.—Using funds reserved under subsection (c)(6), the Secretary shall
3 carry out administration of this section, shall provide (including through the use of grants or
4 cooperative agreements) technical assistance to States, territories, Indian Tribes, and Tribal
5 organizations, and shall carry out research, and evaluations related to this section.

6 (m) Transition Provisions.—

7 (1) TREATMENT OF CHILD CARE AND DEVELOPMENT BLOCK GRANT FUNDS.—For each of
8 fiscal years 2025, 2026, and 2027, a State receiving assistance under this section shall not
9 use more than 10 percent of any funds received under the Child Care and Development
10 Block Grant Act of 1990 to provide assistance for direct child care services to children **who**
11 **are** under the age of 6, ~~who~~ **are not yet in kindergarten, and** are eligible under that Act.

12 (2) SPECIAL RULES REGARDING ELIGIBILITY.—Any child who is less than 6 years of age, is
13 not yet in kindergarten, and is receiving assistance under the Child Care and Development
14 Block Grant Act of 1990 on the date funding is first allocated to the lead agency for the
15 State, territory, Indian Tribe, or Tribal organization involved under this section—

16 (A) shall be deemed immediately eligible to receive assistance under this section;
17 and

18 (B) may continue to use the child care provider of the family’s choice.

19 (3) TRANSITION PROCEDURES.—The Secretary is authorized to institute procedures for
20 implementing this section, including issuing guidance for States receiving funds under
21 subsection (g)(1).

22 SEC. 23002. UNIVERSAL PRESCHOOL.

23 (a) Definitions.—In this section:

24 (1) CHILD EXPERIENCING HOMELESSNESS.—The term “child experiencing homelessness”
25 means an individual who is a homeless child or youth under section 725 of the
26 McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a).

27 (2) CHILD WITH A DISABILITY.—The term “child with a disability” has the meaning given
28 the term in section 602 of the Individuals with Disabilities Education Act (20 U.S.C. 1401).

29 (3) COMPREHENSIVE SERVICES.—The term “comprehensive services” means services that
30 are provided to low-income children and their families, and that are health, educational,
31 nutritional, social, and other services that are determined, based on family needs
32 assessments, to be necessary, within the meaning of section 636 of the Head Start Act (42
33 U.S.C. 9831).

34 (4) DUAL LANGUAGE LEARNER.—The term “dual language learner” means a child who is
35 learning 2 or more languages at the same time, or a child who is learning a second language
36 while continuing to develop the child’s first language.

37 (5) ELIGIBLE CHILD.—The term “eligible child” means a child who is age 3 or 4, on the
38 date established by the applicable local educational agency for kindergarten entry.

39 (6) ELIGIBLE PROVIDER.—The term “eligible provider” means—

1 (A) a local educational agency, acting alone or in a consortium or in collaboration
2 with an educational service agency (as defined in section 8101 of the Elementary and
3 Secondary Education Act of 1965 (20 U.S.C. 7801)), that is licensed by the State or
4 meets comparable health and safety standards;

5 (B) a Head Start agency or delegate agency funded under the Head Start Act;

6 (C) a licensed center-based child care provider, licensed family child care provider,
7 or community- or neighborhood-based network of licensed family child care
8 providers; or

9 (D) a consortium of entities described in any of subparagraphs (A), (B), and (C).

10 (7) **HEAD START AGENCY.**—The term “Head Start agency”, as used in paragraph
11 (6)(B), or subsection (c)(5)(D) or (f)(1), means an entity designated as a Head Start
12 agency under section 641(a)(1) of the Head Start Act or as an Early Head Start agency
13 (by receiving a grant) under section 645A(a) of such Act.

14 (8) **INDIAN TRIBE.**—The term “Indian Tribe” has the meaning given the term in section 4
15 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304).

16 ~~(8)~~(9) **LOCAL EDUCATIONAL AGENCY.**—The term “local educational agency” has the
17 meaning given the term in section 8101 of the Elementary and Secondary Education Act of
18 1965 (20 U.S.C. 7801).

19 ~~(9)~~(10) **POVERTY LINE.**—The term “poverty line” means the poverty line defined and
20 revised as described in section 673 of the Community Services Block Grant Act (42 U.S.C.
21 9902).

22 ~~(10)~~(11) **SECRETARY.**—The term “Secretary” means the Secretary of Health and Human
23 Services.

24 ~~(11)~~(12) **STATE.**—The term “State” means each of the several States and the District of
25 Columbia.

26 ~~(12)~~(13) **TERRITORY.**—The term “territory” means each of the Commonwealth of Puerto
27 Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of
28 the Northern Mariana Islands.

29 ~~(13)~~(14) **TRIBAL ORGANIZATION.**—The term “Tribal organization” has the meaning given
30 the term “tribal organization” in section 658P of the Child Care and Development Block
31 Grant Act of 1990 (42 U.S.C. 9858n).

32 (b) Universal Preschool.—

33 (1) **APPROPRIATIONS FOR STATES.**—

34 (A) **IN GENERAL.**—In addition to amounts otherwise available, there is appropriated
35 to the Department of Health and Human Services for fiscal year 2022, out of any
36 money in the Treasury not otherwise appropriated—

37 (i) \$4,000,000,000, to remain available until September 30, 2027, for payments
38 to States, for carrying out this section (except provisions and activities covered by
39 paragraph (2)) in fiscal year 2022;

40 (ii) \$6,000,000,000, to remain available until September 30, 2027, for payments

1 to States, for carrying out this section (except provisions and activities covered by
2 paragraph (2)) in fiscal year 2023; and

3 (iii) \$8,000,000,000, to remain available until September 30, 2027, for
4 payments to States, for carrying out this section (except provisions and activities
5 covered by paragraph (2)) in fiscal year 2024.

6 (B) ADDITIONAL APPROPRIATIONS.—In addition to amounts otherwise available,
7 there is appropriated to the Department of Health and Human Services, out of any
8 money in the Treasury not otherwise appropriated, such sums as may be necessary for
9 each of fiscal years 2025 through 2027, to remain available for 1 additional fiscal year,
10 for payments to States, for carrying out this section (except provisions and activities
11 covered by paragraph (2)).

12 (2) ADDITIONAL APPROPRIATIONS.—In addition to amounts otherwise available, there is
13 appropriated to the Department of Health and Human Services for fiscal year 2022, out of
14 any money in the Treasury not otherwise appropriated—

15 (A) \$2,500,000,000, **to remain available until September 30, 2027**, for carrying
16 out payments to Indian Tribes and Tribal organizations for activities described in this
17 section ~~in fiscal years 2022 through 2027~~;

18 (B) \$1,000,000,000, **to remain available until September 30, 2027**, for carrying
19 out payments to the territories, to be distributed among the territories on the basis of
20 their relative need, as determined by the Secretary in accordance with the objectives of
21 this section, for activities described in this section ~~in fiscal years 2022 through 2027~~;

22 (C) \$300,000,000, **to remain available until September 30, 2027**, for carrying out
23 payments to eligible local entities that serve children in families who are engaged in
24 migrant or seasonal agricultural labor, for activities described in this section, ~~in fiscal
25 years 2022 through 2027~~;

26 (D)(i) \$165,000,000, to remain available until September 30, 2027, for carrying out
27 Federal activities to support the activities funded under this section, including
28 administration, monitoring, technical assistance, and research, in fiscal year 2022;

29 (ii) \$200,000,000 to remain available until September 30, 2027, for carrying out
30 Federal activities to support the activities funded under this section, including
31 administration, monitoring, technical assistance, and research, in fiscal year 2023;

32 (iii) \$200,000,000, to remain available until September 30, 2027, for carrying out
33 Federal activities to support the activities funded under this section, including
34 administration, monitoring, technical assistance, and research, in fiscal year 2024;

35 (iv) \$208,000,000, to remain available until September 30, 2027, for carrying out
36 Federal activities to support the activities funded under this section, including
37 administration, monitoring, technical assistance, and research, in fiscal year 2025;

38 (v) \$212,000,000, to remain available until September 30, 2027, for carrying out
39 Federal activities to support the activities funded under this section, including
40 administration, monitoring, technical assistance, and research, in fiscal year 2026; and

41 (vi) \$216,000,000, to remain available until September 30, 2027, for carrying out

1 Federal activities to support the activities funded under this section, including
2 administration, monitoring, technical assistance, and research, in fiscal year 2027;

3 (E)(i) \$2,500,000,000, to remain available until September 30, 2027, to improve
4 compensation of Head Start staff consistent with subparagraphs (A)(i) and (B)(viii) of
5 section 640(a)(5) of the Head Start Act (42 U.S.C. 9835(a)(5)), notwithstanding
6 section 653(a) of such Act (42 U.S.C. 9848(a)), in fiscal year 2022;

7 (ii) \$2,500,000,000, to remain available until September 30, 2027, to improve
8 compensation of Head Start staff consistent with subparagraphs (A)(i) and (B)(viii) of
9 section 640(a)(5) of the Head Start Act (42 U.S.C. 9835(a)(5)), notwithstanding
10 section 653(a) of such Act (42 U.S.C. 9848(a)), in fiscal year 2023;

11 (iii) \$2,500,000,000, to remain available until September 30, 2027, to improve
12 compensation of Head Start staff consistent with subparagraphs (A)(i) and (B)(viii) of
13 section 640(a)(5) of the Head Start Act (42 U.S.C. 9835(a)(5)), notwithstanding
14 section 653(a) of such Act (42 U.S.C. 9848(a)), in fiscal year 2024;

15 (iv) \$2,500,000,000, to remain available until September 30, 2027, to improve
16 compensation of Head Start staff consistent with subparagraphs (A)(i) and (B)(viii) of
17 section 640(a)(5) of the Head Start Act (42 U.S.C. 9835(a)(5)), notwithstanding
18 section 653(a) of such Act (42 U.S.C. 9848(a)), in fiscal year 2025;

19 (v) \$2,500,000,000, to remain available until September 30, 2027, to improve
20 compensation of Head Start staff consistent with subparagraphs (A)(i) and (B)(viii) of
21 section 640(a)(5) of the Head Start Act (42 U.S.C. 9835(a)(5)), notwithstanding
22 section 653(a) of such Act (42 U.S.C. 9848(a)), in fiscal year 2026; and

23 (vi) \$2,500,000,000, to remain available until September 30, 2027, to improve
24 compensation of Head Start staff consistent with subparagraphs (A)(i) and (B)(viii) of
25 section 640(a)(5) of the Head Start Act (42 U.S.C. 9835(a)(5)), notwithstanding
26 section 653(a) of such Act (42 U.S.C. 9848(a)), in fiscal year 2027;

27 (F)(i) ~~\$2,000,000,000~~ **\$1,900,000,000**, to remain available until September 30, 2027,
28 to carry out the program of grants to localities described in subsection ~~(e)(2)~~**(f)(2)** in
29 fiscal year 2023;

30 (ii) ~~\$2,000,000,000~~ **\$1,900,000,000**, to remain available until September 30, 2027,
31 to carry out the program of grants to localities described in subsection ~~(e)(2)~~**(f)(2)** in
32 fiscal year 2024;

33 (iii) ~~\$2,000,000,000~~ **\$1,900,000,000**, to remain available until September 30, 2027,
34 to carry out the program of grants to localities described in subsection ~~(e)(2)~~**(f)(2)** in
35 fiscal year 2025;

36 (iv) ~~\$2,000,000,000~~ **\$1,900,000,000**, to remain available until September 30, 2027,
37 to carry out the program of grants to localities described in subsection ~~(e)(2)~~**(f)(2)** in
38 fiscal year 2026; and

39 (v) ~~\$2,000,000,000~~ **\$1,900,000,000**, to remain available until September 30, 2027, to
40 carry out the program of grants to localities described in subsection ~~(e)(2)~~**(f)(2)** in
41 fiscal year 2027; and

1 (G)(i) ~~\$2,000,000,000~~ **\$1,900,000,000**, to remain available until September 30,
2 2027, to carry out the program of awards to Head Start agencies described in
3 subsection ~~(e)(3)(f)(3)~~ in fiscal year 2023;

4 (ii) ~~\$2,000,000,000~~ **\$1,900,000,000**, to remain available until September 30, 2027,
5 to carry out the program of awards to Head Start agencies described in subsection
6 ~~(e)(3)(f)(3)~~ in fiscal year 2024;

7 (iii) ~~\$2,000,000,000~~ **\$1,900,000,000**, to remain available until September 30, 2027,
8 to carry out the program of awards to Head Start agencies described in subsection
9 ~~(e)(3)(f)(3)~~ in fiscal year 2025;

10 (iv) ~~\$2,000,000,000~~ **\$1,900,000,000**, to remain available until September 30, 2027,
11 to carry out the program of awards to Head Start agencies described in subsection
12 ~~(e)(3)(f)(3)~~ in fiscal year 2026; and

13 (v) ~~\$2,000,000,000~~ **\$1,900,000,000**, to remain available until September 30, 2027, to
14 carry out the program of awards to Head Start agencies described in subsection
15 ~~(e)(3)(f)(3)~~ in fiscal year 2027.

16 (c) Payments for State Universal Preschool Services.—

17 (1) IN GENERAL.—A State that has submitted, and had approved by the Secretary, the
18 State plan described in paragraph (5) is entitled to a payment under this subsection.

19 (2) PAYMENTS TO STATES.—

20 (A) ~~TRANSITION PAYMENTS~~ **PAYMENTS** FOR FISCAL YEARS 2022 THROUGH
21 2024.—From amounts made available under subsection (b)(1) for any of fiscal years
22 2022 through 2024, the Secretary, in collaboration with the Secretary of Education,
23 shall allot for the fiscal year, to each State that has a State plan under paragraph (5) or
24 transitional State plan under paragraph (7) that is approved for a period including that
25 fiscal year, an amount for the purpose of providing grants to eligible providers to
26 provide high-quality preschool, using a formula that considers—

27 (i) the proportion of the number of children who are below the age of 6 and
28 whose families have a family income at or below 200 percent of the poverty line
29 for the most recent year for which satisfactory data are available, residing in the
30 State, as compared to the number of such children, who reside in all States with
31 approved plans for the fiscal year for which the allotment is being made; and

32 (ii) the existing Federal preschool investments in the State under the Head Start
33 Act, as of the date of the allotment.

34 (B) PAYMENTS FOR FISCAL YEARS 2025 THROUGH 2027.—

35 (i) PRESCHOOL SERVICES.—For each of fiscal years 2025 through 2027, the
36 Secretary shall pay to each State with an approved State plan under paragraph (5),
37 an amount for that year equal to—

38 (I) 95.440 percent of the State's expenditures in the year for preschool
39 services provided under subsection (d), for fiscal year 2025;

40 (II) 79.534 percent of the State's expenditures in the year for such

1 preschool services, for fiscal year 2026; and

2 (III) 63.627 percent of the State's expenditures in the year for such
3 preschool services, for fiscal year 2027.

4 (ii) STATE ACTIVITIES.—The Secretary shall pay to each State with an approved
5 State plan under paragraph (5) an amount for a fiscal year equal to 53.022 percent
6 of the amount of the State's expenditures for the activities described in paragraph
7 (3), except that in no case shall a payment for a fiscal year under this clause
8 exceed the amount equal to 10 percent of the State's expenditures described in
9 clause (i) for such fiscal year.

10 (iii) NON-FEDERAL SHARE.—The remainder of the cost paid by the State for
11 preschool services, that is not provided under clause (i), shall be considered the
12 non-Federal share of the cost of those services. The remainder of the cost paid by
13 the State for State activities, that is not provided under clause (ii), shall be
14 considered the non-Federal share of the cost of those activities.

15 (iv) ADVANCE PAYMENT; RETROSPECTIVE ADJUSTMENT.—The Secretary shall
16 make a payment under clause (i) or (ii) for a year on the basis of advance
17 estimates of expenditures submitted by the State and such other investigation as
18 the Secretary may find necessary, and shall reduce or increase the payment as
19 necessary to adjust for any overpayment or underpayment for a previous year.

20 (C) AUTHORITIES.—NOTWITHSTANDING AUTHORITIES.—

21 (i) **FISCAL YEARS 2022 THROUGH 2024.**—**Notwithstanding** any other
22 provision of this paragraph, for each of fiscal years 2022 through 2024, the
23 Secretary shall have the authority to reallocate funds that were allotted under
24 subparagraph (A) from any State without an approved ~~State plan application~~
25 under paragraph (5) by the date required by the Secretary, to States with an
26 approved application under that ~~paragraph~~

27 **subsection.**

28 (ii) **FISCAL YEAR 2025.**—**Notwithstanding any other provision of this**
29 **section, on October 1, 2024, the Secretary shall have the authority to reallocate**
30 **funds from payments made from allotments under subparagraph (A) that**
31 **are unobligated on such date, to any State without such unobligated funds**
32 **that is a State with an approved application under paragraph (5), to carry**
33 **out the purposes of this section.**

34 (3) STATE ACTIVITIES.—A State that receives a payment under paragraph (2) shall carry
35 out all of the following activities:

36 (A) State administration of the State preschool program described in this section.

37 (B) Supporting a continuous quality improvement system for providers of preschool
38 services participating, or seeking to participate, in the State preschool program,
39 through the use of data, researching, monitoring, training, technical assistance,
40 professional development, and coaching.

41 (C) Providing outreach and enrollment support for families of eligible children.

1 (D) Supporting data systems building.

2 (E) Supporting staff of eligible providers in pursuing credentials and degrees,
3 including baccalaureate degrees.

4 (F) Supporting activities that ensure access to inclusive preschool programs for
5 children with disabilities.

6 (G) Providing age-appropriate transportation services for children, which at a
7 minimum shall include transportation services for children experiencing homelessness
8 and children in foster care.

9 (H) Conducting or updating a statewide needs assessment of access to high-quality
10 preschool services.

11 (4) LEAD AGENCY.—The Governor of a State desiring **for the State** to receive a payment
12 under this subsection shall designate a ~~State~~ lead agency (such as a State agency or joint
13 interagency office) for the administration of the ~~State~~ **State's** preschool program under this
14 section.

15 (5) STATE PLAN.—In order to be eligible for payments under this section, the Governor of
16 a State shall submit a State plan to the Secretary for approval by the Secretary, in
17 collaboration with the Secretary of Education, at such time, in such manner, and containing
18 such information as the Secretary shall by rule require, that includes a plan for achieving
19 universal, high-quality, free, inclusive, and mixed-delivery preschool services. Such plan
20 shall include, at a minimum, each of the following:

21 (A) A certification that—

22 (i) the State has in place developmentally appropriate, evidence-based
23 preschool standards that, at a minimum, are as rigorous as the standards specified
24 in subparagraph (B) of section 641A(a)(1) of the Head Start Act (42 U.S.C.
25 9836a(a)(1)) and include program standards for class sizes and ratios; and

26 (ii) the State will coordinate such standards with other early learning standards
27 in the State.

28 (B) An assurance that the State will ensure—

29 (i) all preschool services in the State funded under this section will—

30 (I) be universally available to all children in the State without any
31 additional eligibility requirements;

32 (II) be high-quality, free, and inclusive; and

33 (III) by not later than 1 year after the State receives such funding, meet the
34 State's preschool education standards described in subparagraph (A); and

35 (ii) that the local preschool programs in the State funded under this section
36 will—

37 (I) offer programming that meets the duration requirements of at least
38 1,020 annual hours;

39 (II) adopt policies and practices to conduct outreach and provide expedited

1 enrollment, including prioritization, to—

2 (aa) children experiencing homelessness (**which, in the case of a**
3 **child attending a program provided by an eligible provider**
4 **described in subsection (a)(6)(A), shall include immediate**
5 **enrollment for the child**);

6 (bb) children in foster care or kinship care;

7 (cc) children in families who are engaged in migrant or seasonal
8 agricultural labor;

9 (dd) children with disabilities, including eligible children who are
10 served under part C of the Individuals with Disabilities Education Act;
11 and

12 (ee) dual language learners;

13 (III) provide for salaries, and set schedules for salaries, for staff of
14 providers in the State preschool program that are equivalent to salaries of
15 elementary school staff with similar credentials and experience;

16 (IV) at a minimum, provide a living wage for all staff of such providers;
17 and

18 (V) require educational qualifications for teachers in the preschool
19 program including, at a minimum, requiring that lead teachers in the
20 preschool program have a baccalaureate degree in early childhood education
21 or a related field by not later than 6 years after the date on which the State
22 first receives funds under this Act, except that—

23 (aa) subject to item (bb), the requirements under this subclause shall
24 not apply to individuals who were employed by an eligible provider or
25 early education program for a cumulative 3 of the 5 years immediately
26 preceding the date of enactment of this Act and have the necessary
27 content knowledge and teaching skills for early childhood educators, as
28 demonstrated through measures determined by the State; and

29 (bb) nothing in this section shall require the State to lessen State
30 requirements for educational qualifications, in existence on the date of
31 enactment of this Act, to serve as a teacher in a State preschool
32 program.

33 (C) For States with existing publicly funded State preschool programs (as of the date
34 of submission of the State plan), a description of how the State plans to use funding
35 provided under this section to ensure that such existing programs in the State meet the
36 requirements of this section for a State preschool program.

37 (D) A description of how the State, in establishing and operating the State preschool
38 program supported under this section, will—

39 (i) support a mixed-delivery system for any new slots funded under this section,
40 including by facilitating the participation of Head Start programs and programs
41 offered by licensed child care providers;

1 (ii) ensure the State preschool program does not disrupt the stability of infant
2 and toddler child care throughout the State;

3 (iii) ensure adequate consultation with the State Advisory Council on Early
4 Childhood Education and Care designated or established in section
5 642B(b)(1)(A)(i) of the Head Start Act (42 U.S.C. 9837b(b)(1)(A)(i)) in the
6 development of its plan, including consultation in how the State intends to
7 distribute slots under clause (v);

8 (iv) partner with Head Start agencies to ensure the full utilization of Head Start
9 programs within the State; and

10 (v) distribute new preschool slots equitably among child care (including family
11 child care) providers, Head Start agencies, and schools within the State.

12 (E) A certification that the State, in operating the program described in this section
13 for a fiscal year—

14 (i) will not reduce the total preschool slots provided in State-funded preschool
15 programs from the number of such slots in the previous fiscal year; or

16 (ii) if the number of eligible children identified in the State declines from the
17 previous fiscal year, will maintain at least the previous year's ratio of the total
18 preschool slots described in clause (i) to eligible children so identified.

19 (F) An assurance that the State will use funding provided under this section to
20 ensure children with disabilities have access to and participate in inclusive preschool
21 programs consistent with provisions in the Individuals with Disabilities Education Act,
22 and a description of how the State will collaborate with entities carrying out programs
23 under section 619 or part C of the Individuals with Disabilities Education Act, to
24 support inclusive preschool programs.

25 (G) A certification that the State will support the continuous quality improvement of
26 programs providing preschool services under this section, including support through
27 technical assistance, monitoring, and research.

28 (H) A certification that the State will ensure a highly qualified early childhood
29 workforce to support the requirements of this section.

30 (I) An assurance that the State will meet the requirements of clauses (ii) and (iii) of
31 section 658E(c)(2)(T) of the Child Care and Development Block Grant Act of 1990
32 (42 U.S.C. 9858c(c)(2)(T)), with respect to funding and assessments under this section.

33 (J) A certification that subgrant and contract amounts provided as described in
34 subsection (d) will be sufficient to enable eligible providers to meet the requirements
35 of this section, and will provide for increased payment amounts based on the criteria
36 described in subclauses (III) and (IV) of subparagraph (B)(ii).

37 (K) An agreement to provide to the Secretary such periodic reports, providing a
38 detailed accounting of the uses of funding received under this section, as the Secretary
39 may require for the administration of this section.

40 (6) DURATION OF THE PLAN.—Each State plan shall remain in effect for a period of **not**
41 **more than 3** years. Amendments to the State plan shall remain in effect for the duration of

1 the plan.

2 (7) TRANSITIONAL STATE PLAN.—

3 (A) IN GENERAL.—The Secretary shall develop parameters for, and allow a State to
4 submit for purposes of this subsection for a period of not more than 3 years, a
5 transitional State plan, at such time, in such manner and containing such information as
6 the Secretary shall by rule require.

7 (B) CONTENTS.—The transitional plan shall—

8 (i) demonstrate that the State will meet the requirements of such plan as
9 determined by the Secretary; and

10 (ii) include, at a minimum—

11 (I) an assurance that the State will submit a State plan under paragraph (5);

12 (II) a description of how the funds received by the State under this section
13 will be spent to expand access to universal, high-quality, free, inclusive, and
14 mixed-delivery preschool in alignment with the requirements of this section;
15 and

16 (III) such data as the Secretary may require on the provision of preschool
17 services in the State.

18 (d) Subgrants and Contracts for Local Preschool Programs.—

19 (1) SUBGRANTS AND CONTRACTS.—

20 (A) IN GENERAL.—A State that receives a payment under subsection (c)(2) for a
21 fiscal year shall use amounts provided through the payment to pay the costs of
22 subgrants to, or contracts with, eligible providers to operate universal, high-quality,
23 free, and inclusive preschool programs (which State-funded programs may be referred
24 to in this section as “local preschool programs”) through the State preschool program
25 in accordance with paragraph (3). A State shall reduce or increase the amounts
26 provided under such subgrants or contracts if needed to adjust for any overpayment or
27 underpayment described in subsection (c)(2)(B)(iv).

28 (B) AMOUNT.—A State shall award a subgrant or contract under this subsection in a
29 sufficient amount to enable the eligible provider to operate a local preschool program
30 that meets the requirements of subsection (c)(5)(B), which amount shall reflect
31 variations in the cost of preschool services by geographic area, type of provider, and
32 age of child, and the additional costs associated with providing inclusive preschool
33 services for children with disabilities.

34 (C) DURATION.—The State shall award a subgrant or contract under this subsection
35 for a period of not less than 3 years, unless the subgrant or contract is terminated or
36 suspended, or the subgrant period is reduced, for cause.

37 (2) ENHANCED PAYMENTS FOR COMPREHENSIVE SERVICES.—In awarding subgrants or
38 contracts under this subsection and in addition to meeting the requirements of paragraph
39 (1)(B), the State shall award subgrants or contracts with enhanced payments to eligible
40 providers that offer local preschool programs funded under this subsection to a high

1 percentage of low-income children to support comprehensive services.

2 (3) ESTABLISHING AND EXPANDING UNIVERSAL PRESCHOOL PROGRAMS.—

3 (A) ESTABLISHING AND EXPANDING UNIVERSAL PRESCHOOL PROGRAMS IN HIGH-NEED
4 COMMUNITIES.—In awarding subgrants or contracts under this subsection, the State
5 shall first prioritize establishing and expanding universal local preschool programs
6 within and across high-need communities by awarding subgrants or contracts to
7 eligible providers operating within and across, or with capacity to operate within and
8 across, such high-need communities. The State shall—

9 (i) use a research-based methodology approved by the Secretary to identify
10 such high-need communities, as determined by—

11 (I) the rate of poverty in the community;

12 (II) rates of access to high-quality preschool within the community; and

13 (III) other indicators of community need as required by the Secretary; and

14 (ii) distribute funding for preschool services under this section within such a
15 high-need community so that a majority of children in the community are offered
16 such preschool services before the State establishes and expands preschool
17 services in communities with lower levels of need.

18 (B) USE OF FUNDS.—Subgrants or contracts awarded under subparagraph (A) shall
19 be used to enroll and serve children in such a local preschool program involved,
20 including by paying the costs—

21 (i) of personnel (including classroom and administrative personnel), including
22 compensation and benefits;

23 (ii) associated with implementing the State’s preschool standards, providing
24 curriculum supports, and meeting early learning and development standards;

25 (iii) of professional development, teacher supports, and training;

26 (iv) of implementing and meeting developmentally appropriate health and
27 safety standards (including licensure, where applicable), teacher to child ratios,
28 and group size maximums;

29 (v) of materials, equipment, and supplies; and

30 (vi) of rent or a mortgage, utilities, building security, indoor and outdoor
31 maintenance, and insurance.

32 (4) ESTABLISHING AND EXPANDING UNIVERSAL PRESCHOOL PROGRAMS IN ADDITIONAL
33 COMMUNITIES.—Once a State that receives a payment under subsection (c)(2) meets the
34 requirements of paragraph (3) with respect to establishing and expanding local preschool
35 programs within and across high-need communities, the State shall use funds from such
36 payment to enroll and serve children in local preschool programs, as described in such
37 paragraph, in additional communities in accordance with the metrics described in paragraph
38 (3)(A)(i). Such funds shall be used for the activities described in clauses (i) through (vi) of
39 paragraph (3)(B).

40 (e) **Payments for Universal Preschool Services Indian Tribes and Territories.**—

1 **(1) INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—**

2 **(A) IN GENERAL.—**For each of fiscal years 2022 through 2027, from the amount
3 **appropriated for Indian Tribes and Tribal organizations under subsection**
4 **(b)(2)(A), the Secretary shall make payments to Indian Tribes and Tribal**
5 **organizations with an application approved under subparagraph (B), and the**
6 **Tribes and Tribal organizations shall be entitled to such payments for the**
7 **purpose of carrying out the preschool program described in this section,**
8 **consistent, to the extent practicable as determined by the Secretary, with the**
9 **requirements applicable to States.**

10 **(B) APPLICATIONS.—**An Indian Tribe or Tribal organization seeking a payment
11 **under this paragraph shall submit an application to the Secretary at such time, in**
12 **such manner, and containing such information as the Secretary may specify.**

13 **(2) TERRITORIES.—**

14 **(A) IN GENERAL.—**For each of fiscal years 2022 through 2027, from the amount
15 **appropriated for territories under subsection (b)(2)(B), the Secretary shall make**
16 **payments to the territories with an application approved under subparagraph**
17 **(B), and the territories shall be entitled to such payments, for the purpose of**
18 **carrying out the preschool program described in this section, consistent, to the**
19 **extent practicable as determined by the Secretary, with the requirements**
20 **applicable to States.**

21 **(B) APPLICATIONS.—**A territory seeking a payment under this paragraph shall
22 **submit an application to the Secretary at such time, in such manner, and**
23 **containing such information as the Secretary may specify.**

24 **(3) LEAD AGENCY.—**The head of an Indian tribe or territory desiring for the Indian
25 **tribe or a related tribal organization, or territory, to receive a payment under this**
26 **subsection shall designate a lead agency (such as a tribal or territorial agency or joint**
27 **interagency office) for the administration of the preschool program of the Indian tribe**
28 **or territory, under this section.**

29 **(f) Grants to Localities and Head Start Expansion in Nonparticipating States.—**

30 **(1) ELIGIBLE LOCALITY DEFINED.—**In this subsection, the term “eligible locality” means a
31 city, county, or other unit of general local government, a local educational agency, or a
32 Head Start agency ~~designated under the Head Start Act.~~

33 **(2) GRANTS TO LOCALITIES.—**

34 **(A) IN GENERAL.—**The Secretary, **in consultation with the Secretary of**
35 **Education,** shall use funds reserved in subsection (b)(2)(F) to award local universal
36 preschool grants, in accordance with rules established by the Secretary **of Health and**
37 **Human Services,** to eligible localities located in States that have not received
38 payments under subsection (c)(2)(A). The Secretary shall award the grants to eligible
39 localities in a State from the allotment made for that State under subparagraph (B). The
40 Secretary shall specify the requirements for an eligible locality to conduct a preschool
41 program under this subsection which shall, to the greatest extent practicable, be
42 consistent with the requirements applicable to States under this section, for a universal,

1 high-quality, free, and inclusive preschool program.

2 (B) ALLOTMENTS.—For each State described in subparagraph (A), the Secretary
3 shall allot for the State for a fiscal year an amount that bears the same relationship to
4 the funds appropriated under subsection (b)(2)(F) for the fiscal year as the number of
5 children from families with family incomes at or below 200 percent of the poverty line,
6 and who are under the age of 6, in the State bears to the total number of all such
7 children in all States described in subparagraph (A).

8 (C) APPLICATION.—To receive a grant from the corresponding State allotment under
9 this subsection, an eligible locality shall submit an application to the Secretary at such
10 time, in such manner, and containing such information as the Secretary may require.
11 The requirements for the application shall, to the greatest extent practicable, be
12 consistent with the State plan requirements applicable to States under this section.

13 (D) RECOUPMENT OF UNUSED FUNDS.—Notwithstanding any other provision of this
14 section, for each of fiscal years 2023 through 2027, the Secretary shall have the
15 authority to recoup any unused funds allotted under subparagraph (B) for awards under
16 paragraph (3)(A) to Head Start agencies in accordance with paragraph (3).

17 (3) HEAD START EXPANSION IN NONPARTICIPATING STATES.—

18 (A) ~~IN GENERAL.—IF THE SECRETARY DETERMINES THAT AN AREA OF~~
19 ~~GENERAL.—~~**The Secretary shall use funds appropriated under subsection**
20 **(b)(2)(G) or recouped under paragraph (2) to make awards to Head Start**
21 **agencies in** a State described in paragraph (2)(A) ~~will not be adequately served under~~
22 ~~this subsection, either because no eligible locality applied to serve the area or because~~
23 ~~no application submitted by an eligible locality was considered sufficient, then the~~
24 ~~Secretary shall use funds appropriated under subsection (b)(2)(G) to make an award to~~
25 ~~a Head Start agency to carry out the purposes of the Head Start Act in that area such~~
26 **State.**

27 (B) RULE.—For purposes of carrying out the Head Start Act in circumstances not
28 involving awards under this paragraph, funds awarded under subparagraph (A) shall
29 not be included in the calculation of a “base grant” as such term is defined in section
30 640(a)(7)(A) of the Head Start Act (42 U.S.C. 9835(a)(7)(A)).

31 (C) DEFINITION.—**In this paragraph, the term “Head Start agency” means an**
32 **entity designated or eligible to be designated as a Head Start agency under section**
33 **641(a)(1) of the Head Start Act or as an Early Head Start agency (by receiving a**
34 **grant) under section 645A(a) of such Act.**

35 (4) PRIORITY FOR SERVING UNDERSERVED COMMUNITIES.—In making determinations to
36 award a grant or make an award under this subsection, the Secretary shall give priority to
37 entities serving communities with a high percentage of ~~low-income children as described in~~
38 ~~subsection (d)(2).~~ **children from families with family incomes at or below 200 percent of**
39 **the poverty line.**

40 ~~(f)(g)~~ Allowable Sources of Non-Federal Share.—For purposes of calculating the amount of
41 the non-Federal share, as determined under subsection (c)(2)(B)(iii), relating to a payment under
42 subsection (c)(2)(B), a State’s non-Federal share—

1 (1) may be in cash or in kind, fairly evaluated, including facilities or property, equipment,
2 or services;

3 (2) shall include any increase in amounts spent by the State to expand half-day
4 kindergarten programs in the State, as of the day before the date of enactment of this Act,
5 into full-day kindergarten programs;

6 (3) shall not include contributions being used as a non-Federal share or match for another
7 Federal award;

8 (4) shall be provided from State or local sources, contributions from philanthropy or other
9 private organizations, or a combination of such sources and contributions; and

10 (5) shall count not more than 100 percent of the State's current spending on
11 prekindergarten programs, calculated as the average amount of such spending by the State
12 for fiscal years 2019, 2020, and 2021, toward the State's non-Federal share.

13 ~~(g)~~**(h)** Maintenance of Effort.—

14 (1) IN GENERAL.—If a State reduces its combined fiscal effort per child for the State
15 preschool program (whether a publicly funded preschool program or a program under this
16 section) or through State supplemental assistance funds for Head Start programs assisted
17 under the Head Start Act, or through any State spending on preschool services for any fiscal
18 year that a State receives payments under subsection (c)(2) (referred to in this paragraph as
19 the “reduction fiscal year”) relative to the previous fiscal year, the Secretary, in
20 collaboration with the Secretary of Education, shall reduce support for such State under
21 such subsection by the same amount as the total reduction in that State fiscal effort for such
22 reduction fiscal year.

23 (2) WAIVER.—The Secretary, in collaboration with the Secretary of Education, may
24 waive the requirements of paragraph (1) if—

25 (A) the Secretaries determine that a waiver would be appropriate due to a
26 precipitous decline in the financial resources of a State as a result of unforeseen
27 economic hardship, or a natural disaster, that has necessitated across-the-board
28 reductions in State services during the 5-year period preceding the date of the
29 determination, including for early childhood education programs; or

30 (B) due to the circumstance of a State requiring reductions in specific programs,
31 including early childhood education programs, the State presents to the Secretaries a
32 justification and demonstration why other programs could not be reduced and how
33 early childhood education programs in the State will not be disproportionately harmed
34 by such State reductions.

35 ~~(h)~~**(i)** Supplement Not Supplant.—Funds received under this section shall be used to
36 supplement and not supplant other Federal, State, and local public funds expended on
37 prekindergarten programs in the State on the date of enactment of this Act, **calculated as the**
38 **average amount of such Federal, State, and local public funds expended for fiscal years**
39 **2019, 2020, and 2021.-**

40 ~~(i)~~**(j)** Nondiscrimination Provisions.—The following provisions of law shall apply to any
41 program or activity that receives funds provided under this section:

- 1 (1) Title IX of the Education Amendments of 1972.
- 2 (2) Title VI of the Civil Rights Act of 1964.
- 3 (3) Section 504 of the Rehabilitation Act of 1973.
- 4 (4) The Americans with Disabilities Act of 1990.
- 5 (5) Section 654 of the Head Start Act.

6 ~~(j)~~(k) Monitoring and Enforcement.—

7 (1) REVIEW OF COMPLIANCE WITH REQUIREMENTS AND STATE PLAN.—The Secretary shall
8 review and monitor compliance of States, territories, Tribal entities, and local entities with
9 this section and State compliance with the State plan described in subsection (c)(5).

10 (2) ISSUANCE OF RULE.—The Secretary shall establish by rule procedures for—

11 (A) receiving, processing, and determining the validity of complaints or findings
12 concerning any failure of a State to comply with the State plan or any other
13 requirement of this section;

14 (B) notifying a State when the Secretary has determined there has been a failure by
15 the State to comply with a requirement of this section; and

16 (C) imposing sanctions under this subsection for such a failure.

17 Subtitle E—Child Nutrition and Related Programs

18 SEC. 24001. EXPANDING COMMUNITY ELIGIBILITY.

19 (a) Multiplier and Threshold Adjusted.—

20 (1) MULTIPLIER.—Clause (vii) of section 11(a)(1)(F) of the Richard B. Russell National
21 School Lunch Act (42 U.S.C. 1759a(a)(1)(F)) is amended to read as follows:

22 “(vii) MULTIPLIER.—

23 “(I) IMPLEMENTATION IN ~~2022~~2026.—~~FOR 2022–2027.~~—**For** each school
24 year beginning on or after July 1, 2022, and ending before July 1, ~~2026~~ 2027,
25 the Secretary shall use a multiplier of 2.5.

26 “(II) IMPLEMENTATION AFTER ~~2026.~~—~~FOR 2027.~~—**For** each school year
27 beginning on or after July 1, ~~2026~~ 2027, the Secretary shall use a multiplier
28 of 1.6.”.

29 (2) THRESHOLD.—Clause (viii) of section 11(a)(1)(F) of the Richard B. Russell National
30 School Lunch Act (42 U.S.C. 1759a(a)(1)(F)) is amended to read as follows:

31 “(viii) THRESHOLD.—

32 “(I) IMPLEMENTATION IN ~~2022~~2026.—~~FOR 2022–2027.~~—**For** each school
33 year beginning on or after July 1, 2022, and ending before July 1, ~~2026~~ 2027,
34 the threshold shall be not more than 25 percent.

35 “(II) IMPLEMENTATION AFTER ~~2026.~~—~~FOR 2027.~~—**For** each school year
36 beginning on or after July 1, ~~2026~~ 2027, the threshold shall be not more than

1 40 percent.”.

2 (b) Statewide Community Eligibility.—Section 11(a)(1)(F) of the Richard B. Russell National
3 School Lunch Act (42 U.S.C. 1759a(a)(1)(F)) is amended by adding at the end the following:

4 “(xiv) STATEWIDE COMMUNITY ELIGIBILITY.—For each school year beginning
5 on or after July 1, 2022, and ending before July 1, ~~2026~~ **2027**, the Secretary shall
6 establish a statewide community eligibility program under which, in the case of a
7 State agency that agrees to provide funding from sources other than Federal funds
8 to ensure that local educational agencies in the State receive the free
9 reimbursement rate for 100 percent of the meals served at applicable schools—

10 “(I) the multiplier described in clause (vii) shall apply;

11 “(II) notwithstanding clause (viii), the threshold shall be zero; and

12 “(III) the percentage of enrolled students who were identified students
13 shall be calculated across all applicable schools in the State regardless of
14 local educational agency.”.

15 **SEC. 24002. SUMMER ELECTRONIC BENEFITS**
16 **TRANSFER FOR CHILDREN PROGRAM.**

17 The Richard B. Russell National School Lunch Act is amended by inserting after section 13
18 (42 U.S.C. 1761) the following:

19 **“SEC. 13A. SUMMER ELECTRONIC BENEFITS**
20 **TRANSFER FOR CHILDREN PROGRAM.**

21 “(a) Program Established.—The Secretary shall establish a program under which States and
22 covered Indian Tribal organizations participating in such program shall, for summer 2023 and
23 summer 2024 issue to eligible households summer EBT benefits—

24 “(1) in accordance with this section; and

25 “(2) for the purpose of providing nutrition assistance through electronic benefits transfer
26 during the summer months for eligible children, to ensure continued access to food when
27 school is not in session for the summer.

28 “(b) Summer EBT Benefits Requirements.—

29 “(1) PURCHASE OPTIONS.—

30 “(A) BENEFITS ISSUED BY STATES.—

31 “(i) WIC PARTICIPATION STATES.—In the case of a State that participated in a
32 demonstration program under section 749(g) of the Agriculture, Rural
33 Development, Food and Drug Administration, and Related Agencies
34 Appropriations Act, 2010 (Public Law 111–80; 123 Stat. 2132) during calendar
35 year 2018 using a WIC model, summer EBT benefits issued pursuant to
36 subsection (a) by such a State may only be used by the eligible household that
37 receives such summer EBT benefits to purchase—

38 “(I) supplemental foods from retailers that have been approved for

1 participation in—

2 “(aa) the special supplemental nutrition program for women, infants,
3 and children under section 17 of the Child Nutrition Act of 1966 (42
4 U.S.C. 1786); or

5 “(bb) the program under this section; or

6 “(II) food (as defined in section 3(k) of the Food and Nutrition Act of
7 2008 (7 U.S.C. 2012(k))) from retail food stores that have been approved for
8 participation in the supplemental nutrition assistance program established
9 under such Act, in accordance with section 9 of such Act (7 U.S.C. 2018).

10 “(ii) OTHER STATES.—Summer EBT benefits issued pursuant to subsection (a)
11 by a State not described in clause (i) may only be used by the eligible household
12 that receives such summer EBT benefits to purchase food (as defined in section
13 3(k) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(k))) from retail food
14 stores that have been approved for participation in the supplemental nutrition
15 assistance program established under such Act, in accordance with section 9(b) of
16 such Act (7 U.S.C. 2018) or retail food stores that have been approved for
17 participation in a Department of Agriculture grant funded nutrition assistance
18 program in the Commonwealth of the Northern Mariana Islands, Puerto Rico, or
19 American Samoa.

20 “(B) BENEFITS ISSUED BY COVERED INDIAN TRIBAL ORGANIZATIONS.—Summer EBT
21 benefits issued pursuant to subsection (a) by a covered Indian Tribal organization may
22 only be used by the eligible household that receives such summer EBT benefits to
23 purchase supplemental foods from retailers that have been approved for participation
24 in—

25 “(i) the special supplemental nutrition program for women, infants, and
26 children under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786); or

27 “(ii) the program under this section.

28 “(2) AMOUNT.—Summer EBT benefits issued pursuant to subsection (a)—

29 “(A) shall be—

30 “(i) for calendar year 2023, in an amount equal to \$65 for each child in the
31 eligible household per month during the summer; and

32 “(ii) for calendar year 2024, in an amount equal to the amount described in
33 clause (i), adjusted to the nearest lower dollar increment to reflect changes to the
34 cost of the thrifty food plan (as defined in section 3(u) of the Food and Nutrition
35 Act of 2008 (7 U.S.C. 2012(u)) for the 12-month period ending on November 30
36 of the preceding calendar year; and

37 “(B) may be issued—

38 “(i) in the form of an EBT card; or

39 “(ii) through electronic delivery.

40 “(c) Enrollment in Program.—

1 “(1) STATE REQUIREMENTS.—States participating in the program under this section
2 shall—

3 “(A) with respect to a summer, automatically enroll eligible children in the program
4 under this section without further application; and

5 “(B) require local educational agencies to allow eligible households to opt out of
6 participation in the program under this section and establish procedures for opting out
7 of such participation.

8 “(2) COVERED INDIAN TRIBAL ORGANIZATION REQUIREMENTS.—Covered Indian Tribal
9 organizations participating in the program under this section shall, to the maximum extent
10 practicable, meet the requirements under subparagraphs (A) through (C) of paragraph (1).

11 “(d) Implementation Grants.—On and after January 1, 2022, the Secretary shall carry out a
12 program to make grants to States and covered Indian Tribal organizations to build capacity for
13 implementing the program under this section.

14 “(e) Alternate Plans in the Case of Continuous School Calendar.—The Secretary shall
15 establish an alternative method for determining the schedule and number of days during which
16 summer EBT benefits may be issued pursuant to subsection (a) in the case of children who are
17 under a continuous school calendar.

18 “(f) Funding.—

19 “(1) PROGRAM FUNDING.—In addition to amounts otherwise available, there is
20 appropriated for each of fiscal years 2022 through 2024, out of any money in the Treasury
21 not otherwise appropriated, such sums, to remain available for the 2-year period following
22 the date such amounts are made available, as may be necessary to carry out this section,
23 including for administrative expenses incurred by the Secretary, States, covered Indian
24 Tribal organizations, and local educational agencies.

25 “(2) IMPLEMENTATION GRANT FUNDING.—In addition to amounts otherwise available,
26 including under paragraph (1), there is appropriated for fiscal year 2022, out of any money
27 in the Treasury not otherwise appropriated, \$50,000,000, to remain available until
28 expended, to carry out subsection (d).

29 “(g) Sunset.—The authority under this section shall terminate on September 30, 2024.

30 “(h) Definitions.—In this section:

31 “(1) COVERED INDIAN TRIBAL ORGANIZATION.—The term ‘covered Indian Tribal
32 organization’ means an Indian Tribal organization that participates in the special
33 supplemental nutrition program for women, infants, and children under section 17 of the
34 Child Nutrition Act of 1966 (42 U.S.C. 1786).

35 “(2) ELIGIBLE CHILD.—The term ‘eligible child’ means, with respect to a summer, a child
36 who was, during the school year immediately preceding such summer—

37 “(A) certified to receive free or reduced price lunch under the school lunch program
38 under this Act;

39 “(B) certified to receive free or reduced price breakfast under the school breakfast
40 program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773); or

1 “(C) enrolled in a school described in subparagraph (B), (C), (D), (E), or (F) of
2 section 11(a)(1).

3 “(3) ELIGIBLE HOUSEHOLD.—The term ‘eligible household’ means a household that
4 includes at least 1 eligible child.”.

5 SEC. 24003. HEALTHY FOOD INCENTIVES 6 DEMONSTRATION.

7 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
8 Secretary of Agriculture for fiscal year 2022, out of any money in the Treasury not otherwise
9 appropriated, \$250,000,000, to remain available until expended, to provide—

10 (1) technical assistance and evaluation with respect to the activities described in
11 subparagraphs (A) through (D) of paragraph (2); and

12 (2) grants and monetary incentives to carry out 1 or more of the following:

13 (A) Improving the nutritional quality of meals and snacks served under a child
14 nutrition program.

15 (B) Enhancing the nutrition and wellness environment of institutions participating in
16 a child nutrition program, including by reducing the availability of less healthy foods
17 during the school day.

18 (C) Increasing the procurement of fresh, local, regional, and culturally appropriate
19 foods and foods produced by underserved or limited resource farmers, as defined by
20 the Secretary of Agriculture, to be served as part of a child nutrition program.

21 (D) Funding a statewide nutrition education coordinator—

22 (i) to support individual school food authority nutrition education efforts; and

23 (ii) to facilitate collaboration with other nutrition education efforts in the State.

24 (b) State Defined.—In this section, the term “State” has the meaning given the term in section
25 12(d) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1760(d)).

26 SEC. 24004. SCHOOL KITCHEN EQUIPMENT GRANTS.

27 In addition to amounts otherwise available, there is appropriated to the Secretary of
28 Agriculture for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
29 \$30,000,000, to remain available until expended through fiscal year 2030, for training and
30 technical assistance to support scratch cooking and to award grants to States (as defined in
31 section 12(d) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1760(d))) to make
32 competitive subgrants to local educational agencies and schools to purchase equipment with a
33 value of greater than \$1,000 that, with respect to the school lunch program established under the
34 Richard B. Russell National School Lunch Act (42 U.S.C. 1751–1769j) and the school breakfast
35 program established under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773), is
36 necessary to serve healthier meals, improve food safety, and increase scratch cooking.

37 Subtitle F—Human Services and Community Supports

1 **SEC. 25001. ASSISTIVE TECHNOLOGY.**

2 In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of
3 any money in the Treasury not otherwise appropriated, \$10,000,000, to remain available until
4 expended, **for necessary expenses** to carry out the Assistive Technology Act of 1998 (29 U.S.C.
5 3003(a)).

6 **SEC. 25002. FAMILY VIOLENCE PREVENTION AND**
7 **SERVICES FUNDING.**

8 In addition to amounts otherwise available, there is appropriated to the Secretary of Health and
9 Human Services, for fiscal year 2022, out of any money in the Treasury not otherwise
10 appropriated, \$30,000,000, to remain available until expended, for necessary administrative
11 expenses to carry out subsections (c) and (d) of section 2204 of the American Rescue Plan Act of
12 2021 (Public Law 117–2).

13 **SEC. 25003. PREGNANCY ASSISTANCE FUND.**

14 Section 10214 of the Patient Protection and Affordable Care Act (42 U.S.C. 18204) is
15 amended by ~~striking the period and inserting “, and \$25,000,000 for each of fiscal years 2022–~~
16 ~~through 2024 adding at the end the following new sentence:~~

17 **“In addition, there is appropriated for fiscal year 2022, out of any money in the Treasury**
18 **not otherwise appropriated—**

19 **“(1) \$25,000,000, to remain available until expended, to carry out this ~~part.~~ part in**
20 **fiscal year 2022;**

21 **“(2) \$25,000,000, to remain available until expended, to carry out this part in fiscal**
22 **year 2023; and**

23 **“(3) \$25,000,000, to remain available until expended, to carry out this part in fiscal**
24 **year 2024.”.**

25 **SEC. 25004. FUNDING FOR THE AGING NETWORK AND**
26 **INFRASTRUCTURE.**

27 (a) Appropriation.—In addition to amounts otherwise available, there are appropriated for
28 fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to the Department
29 of Health and Human Services—

30 (1) \$75,000,000 for the Research, Demonstration, and Evaluation Center for the Aging
31 Network **for necessary expenses** to carry out the activities of the Center under section
32 201(g) of the Older Americans Act of 1965 (OAA)(~~42 U.S.C. 3011(g)~~);

33 (2) \$655,000,000 **for necessary expenses** to carry out part B of title III of the OAA(~~42–~~
34 ~~U.S.C. 3030d~~), including for—

35 (A) supportive services of the type made available for fiscal year 2021 and
36 authorized under such part;

37 (B) investing in the aging services network for the purposes of improving the

1 availability of supportive services, including investing in the aging services network
2 workforce;

3 (C) the acquisition, alteration, or renovation of facilities, including multipurpose
4 senior centers and mobile units; and

5 (D) construction or modernization of facilities to serve as multipurpose senior
6 centers;

7 (3) \$140,000,000 **for necessary expenses** to carry out part C of title III of the OAA(~~42-~~
8 ~~U.S.C. 3030d213030g23~~), including to support the modernization of infrastructure and
9 technology, including kitchen equipment and delivery vehicles, to support the provision of
10 congregate nutrition services and home delivered nutrition services under such part;

11 (4) \$150,000,000 **for necessary expenses** to carry out part E of title III of the OAA(~~42-~~
12 ~~U.S.C. 3030s3030s-2~~), including section 373(e) of such part(~~42 U.S.C. 3030s-1(e)~~);

13 (5) \$50,000,000 **for necessary expenses** to carry out title VI of the OAA(~~42 U.S.C.-~~
14 ~~30573057e~~), including part C of such title(~~42 U.S.C. 3057k-11~~);

15 (6) \$50,000,000 **for necessary expenses** to carry out the long-term care ombudsman
16 program under title VII of the OAA(~~42 U.S.C. 30583058ff~~);

17 (7) \$59,000,000 **for necessary expenses** for technical assistance centers or national
18 resource centers supported under the OAA, including all such centers that received funding
19 under title IV of the OAA (~~42 U.S.C. 3031-3033a~~) for fiscal year 2021, in order to support
20 technical assistance and resource development related to culturally appropriate care
21 management and services for older individuals with the greatest social need, including
22 racial and ethnic minority individuals;

23 (8) \$15,000,000 **for necessary expenses** for technical assistance centers or national
24 resource centers supported under the OAA that are focused on providing services for older
25 individuals who are underserved due to their sexual orientation or gender identity;

26 (9) \$1,000,000 **for necessary expenses** for efforts of national training and technical
27 assistance centers supported under the OAA to—

28 (A) support expanding the reach of the aging services network to more effectively
29 assist older individuals in remaining socially engaged and active;

30 (B) provide additional support in technical assistance and training to the aging
31 services network to address the social isolation of older individuals;

32 (C) promote best practices and identify innovation in the field; and

33 (D) continue to support a repository for innovations designed to increase the ability
34 of the aging services network to tailor social engagement activities to meet the needs of
35 older individuals; and

36 (10) \$5,000,000 **for necessary expenses** to carry out section 417 of the OAA(~~42 U.S.C.-~~
37 ~~3032f~~).

38 Amounts appropriated by this subsection shall remain available until expended.

39 (b) Nonapplicability of Certain Requirements.—The non-Federal contribution requirements
40 under sections 304(d)(1)(D) and 431(a) of the Older Americans Act of 1965(~~42 U.S.C.-~~

1 3024(d)(1)(D), 3033(a)), and section 373(h)(2) of such Act(42 U.S.C. 3030s1(h)(2)), shall not
2 apply to—

- 3 (1) any amounts made available under this section; or
4 (2) any amounts made available under section 2921 of the American Rescue Plan Act of
5 2021 (Public Law 117–2).

6 SEC. 25005. TECHNICAL ASSISTANCE CENTER FOR 7 SUPPORTING DIRECT CARE AND CAREGIVING.

8 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
9 Secretary of Health and Human Services, acting through the Administrator for the
10 Administration for Community Living, for fiscal year 2022, out of any money in the Treasury
11 not otherwise appropriated, \$20,000,000, to remain available until September 30, 2031, **for**
12 **necessary expenses** to establish, directly or through grants, contracts, or cooperative agreements,
13 a national technical assistance center (referred to in this section as the “Center”) to—

14 (1) provide technical assistance for supporting direct care workforce recruitment,
15 education and training, retention, career advancement, and for supporting family caregivers
16 and caregiving activities;

17 (2) develop and disseminate a set of replicable models or evidence-based or
18 evidence-informed strategies or best practices for—

19 (A) recruitment, education and training, retention, and career advancement of direct
20 support workers;

21 (B) reducing barriers to accessing direct care services; and

22 (C) increasing access to alternatives to direct care services, including assistive
23 technology, that reduce reliance on such services;

24 (3) provide recommendations for education and training curricula for direct support
25 workers; and

26 (4) provide recommendations for activities to further support paid and unpaid family
27 caregivers, including expanding respite care.

28 (b) Direct Support Worker Defined.—The term “direct support worker” has the meaning given
29 such term in section 22301.

30 SEC. 25006. FUNDING TO SUPPORT UNPAID 31 CAREGIVERS.

32 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
33 Secretary of Health and Human Services (referred to in this section as the “Secretary”) for fiscal
34 year 2022, out of any money in the Treasury not otherwise appropriated, \$40,000,000, to remain
35 available until expended, for carrying out the purpose described in subsection (b).

36 (b) Use of Funding.—The Secretary, acting through the Assistant Secretary for Aging, shall
37 use amounts appropriated by subsection (a) **for necessary expenses** to make awards, pursuant to
38 section 373(i) of the Older Americans Act of 1965 (42 U.S.C. 3030s–1(i)), to States, public

1 agencies, private nonprofit agencies, institutions of higher education, and organizations,
2 including Tribal organizations, for initiatives to address the behavioral health needs of ~~unpaid~~
3 **family** caregivers ~~of older individuals~~ and older relative caregivers.

4 (c) Supplement Not Supplant.—Amounts appropriated by this section shall be used to
5 supplement and not supplant other Federal, State, or local public funds to support unpaid
6 caregivers.

7 **SEC. 25007. FUNDING TO SUPPORT INDIVIDUALS WITH** 8 **INTELLECTUAL AND DEVELOPMENTAL DISABILITIES.**

9 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
10 Secretary of Health and Human Services (referred to in this section as the “Secretary”), for fiscal
11 year 2022, out of any money in the Treasury not otherwise appropriated, \$25,000,000, to remain
12 available until expended, for carrying out the purpose described in subsection (b).

13 (b) Use of Funding.—The Secretary, acting through the Administrator of the Administration
14 for Community Living, shall use amounts appropriated by subsection (a) **for necessary expenses**
15 to award grants, contracts, or cooperative agreements to public or private nonprofit entities
16 pursuant to section 162 of the Developmental Disabilities Assistance and Bill of Rights Act of
17 2000 (42 U.S.C. 15082) for initiatives to address the behavioral health needs of individuals with
18 intellectual and developmental disabilities.

19 (c) Supplement Not Supplant.—Amounts appropriated by this section shall be used to
20 supplement and not supplant other Federal, State, or local public funds to support individuals
21 with intellectual and developmental disabilities.

22 **SEC. 25008. OFFICE OF THE INSPECTOR GENERAL OF** 23 **THE DEPARTMENT OF HEALTH AND HUMAN** 24 **SERVICES.**

25 In addition to amounts otherwise available, there is appropriated to the Department of Health
26 and Human Services for fiscal year 2022, out of any money in the Treasury not otherwise
27 appropriated, \$50,000,000, to remain available until expended, for the Office of Inspector
28 General of the Department of Health and Human Services, for salaries and expenses necessary
29 for oversight, investigations, and audits of programs, grants, and projects funded under subtitles
30 D and F of this title.

31 **Subtitle G—National Service and Workforce Development in** 32 **Support of Climate Resilience and Mitigation**

33 **SEC. 26001. CORPORATION FOR NATIONAL AND** 34 **COMMUNITY SERVICE AND THE NATIONAL SERVICE** 35 **TRUST.**

36 (a) AmeriCorps State and National.—

37 (1) IN GENERAL.—In addition to amounts otherwise available, there is appropriated for

1 fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to the
2 Corporation for National and Community Service, \$3,200,000,000, to remain available until
3 September 30, 2026, which shall be used to make funding adjustments to existing (as of the
4 date of enactment of this Act) awards and make new awards to entities **(whether or not**
5 **such entities are already recipients of a grant or other agreement on the date of**
6 **enactment of this Act)** to support national service programs described in paragraphs
7 ~~(1)(B), (2)(B), (3)(B), (4)(B), and (5)(B)~~**(1)(A), (2)(A), (3)(A), and (5)(A)** of subsection (a),
8 and subsection (b)(2), of section 122 of the National and Community Service Act of 1990
9 ~~(whether or not such entities are already recipients of a grant or other agreement on the date~~
10 ~~of enactment of this Act)~~ **and national service programs carrying out activities**
11 **described in clauses (i), (ii), (iii), (v), (vi), and (vii) of paragraph (4)(B) of subsection (a)**
12 **of such section**, to increase living allowances and improve benefits of participants in such
13 programs.

14 (2) REQUIREMENTS.—For the purposes of carrying out paragraph (1)—

15 (A) the Corporation shall waive the requirements described in section 121(e)(1) of
16 the National and Community Service Act of 1990, in whole or in part, if a recipient of
17 a grant or other agreement for such a national service program demonstrates—

18 (i) the recipient will serve underserved or low-income communities, and a
19 significant percentage of participants in such program are low-income
20 individuals; and

21 (ii) without such waiver, the recipient cannot meet the requirements of this
22 section;

23 (B) section 189(a) of such Act shall be applied by substituting “125 percent of the
24 amount of the minimum living allowance of a full-time participant per full-time
25 equivalent position” for “\$18,000 per full-time equivalent position”; and

26 (C) section 140(a)(1) of such Act shall be applied by substituting “200 percent of the
27 poverty line” for “the average annual subsistence allowance provided to VISTA
28 volunteers under section 105 of the Domestic Volunteer Service Act of 1973 (42
29 U.S.C. 4955)”.

30 (b) State Commissions.—

31 (1) IN GENERAL.—In addition to amounts otherwise available, there is appropriated for
32 fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to the
33 Corporation for National and Community Service, \$400,000,000, to remain available until
34 September 30, 2026, which shall be used to make funding adjustments to existing (as of the
35 date of enactment of this Act) awards and make new awards to States to establish or operate
36 State Commissions on National and Community Service.

37 (2) MATCH WAIVER.—For the purposes of carrying out paragraph (1), the Corporation
38 shall waive the matching requirement described in section 126(a)(2) of the National and
39 Community Service Act of 1990, in whole or in part, for a State Commission, if such State
40 Commission demonstrates need for such waiver.

41 (c) National Civilian Community Corps.—In addition to amounts otherwise available, there is
42 appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,

1 to the Corporation for National and Community Service, \$80,000,000, to remain available until
2 September 30, 2029, which shall be used to increase the living allowance and benefits of
3 participants in the National Civilian Community Corps authorized under section 152 of the
4 National and Community Service Act of 1990.

5 (d) AmeriCorps Vista.—

6 (1) IN GENERAL.—In addition to amounts otherwise available, there is appropriated for
7 fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to the
8 Corporation for National and Community Service, \$600,000,000 to remain available until
9 September 30, 2029, which shall be used to increase the subsistence allowances and
10 improve benefits of participants in the Volunteers in Service to America program authorized
11 under section 102 of the Domestic Volunteer Service Act of 1973.

12 (2) REQUIREMENT.—For purposes of carrying out paragraph (1)—

13 (A) section 105(b)(2)(A) of the Domestic Volunteer Service Act of 1973 shall be
14 applied by substituting “200 percent” for “95 percent”; and

15 (B) section 105(b)(2)(B) of the Domestic Volunteer Service Act of 1973 shall be
16 applied by substituting “210 percent” for “105 percent”.

17 (e) National Service in Support of Climate Resilience and Mitigation.—

18 (1) IN GENERAL.—In addition to amounts otherwise available, there is appropriated for
19 fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to the
20 Corporation for National and Community Service, \$6,915,000,000, which shall be used for
21 the purposes specified in paragraph (3).

22 (2) AVAILABILITY OF FUNDS.—Amounts appropriated under paragraph (1) shall—

23 (A) be available until September 30, 2026, for national service programs described
24 in paragraphs ~~(1)(B), (2)(B), (3)(B), (4)(B), and (5)(B)~~ **(1)(A), (2)(A), (3)(A), and**
25 **(5)(A)** of subsection (a), and subsection (b)(2), of section 122 of the National and
26 Community Service Act of 1990 ; **and national service programs carrying out**
27 **activities described in clauses (i), (ii), (iii), (v), (vi), and (vii) of paragraph (4)(B) of**
28 **subsection (a) of such section;** and

29 (B) be available until September 30, 2029, for National Civilian Community Corps
30 programs authorized under section 152 of the National and Community Service Act of
31 1990 and Volunteers in Service to America programs authorized under section 102 of
32 the Domestic Volunteer Service Act of 1973.

33 (3) USE OF FUNDS.—

34 (A) IN GENERAL.—The Corporation shall use amounts appropriated under paragraph
35 (1) to fund programs described in subparagraph (B) to carry out projects or activities
36 described in section 122(a)(3)(B) of the National and Community Service Act of 1990.

37 (B) PROGRAMS.—The programs described in subparagraph (A) shall include—

38 (i) national service programs described in paragraphs ~~(1)(B), (2)(B), (3)(B),~~
39 ~~(4)(B), and (5)(B)~~ **(1)(A), (2)(A), (3)(A), and (5)(A)** of subsection (a), and
40 subsection (b)(2), of section 122 of the National and Community Service Act of

1 **1990 and national service programs carrying out activities described in**
2 **clauses (i), (ii), (iii), (v), (vi), and (vii) of paragraph (4)(B) of subsection (a) of**
3 **such section;**

4 (ii) National Civilian Community Corps programs authorized under section 152
5 of the National and Community Service Act of 1990; and

6 (iii) Volunteers in Service to America programs authorized under section 102
7 of the Domestic Volunteer Service Act of 1973.

8 (C) TERMS.—In funding programs described in subparagraph (A), the Corporation
9 shall ensure—

10 (i) awards are made to entities that serve, and have representation from,
11 low-income communities or communities experiencing (or at risk of
12 experiencing) adverse health and environmental conditions;

13 (ii) such programs utilize culturally competent and multilingual strategies;

14 (iii) projects carried out through such programs are planned with community
15 input, and implemented by diverse participants who are from communities being
16 served by such programs; and

17 (iv) such programs provide participants with workforce development
18 opportunities, such as pre-apprenticeships that articulate to registered
19 apprenticeship programs, and pathways to post-service employment in
20 high-quality jobs, including registered apprenticeships.

21 (4) REQUIREMENTS.—For the purposes of carrying out paragraph (1)—

22 (A) in implementing national service programs described in paragraph (3)(B)(i) and
23 funded by the appropriations specified in paragraph (1)—

24 (i) the Corporation shall waive the requirements described in section 121(e)(1)
25 of the National and Community Service Act of 1990, in whole or in part, if a
26 recipient of a grant or other agreement for the national service program involved
27 demonstrates—

28 (I) the recipient will serve underserved or low-income communities, and a
29 significant percentage of participants in such program are low-income
30 individuals; and

31 (II) without such waiver, the recipient cannot meet the requirements of this
32 section;

33 (ii) section 189(a) of the National and Community Service Act of 1990 shall be
34 applied by substituting “125 percent of the amount of the minimum living
35 allowance of a full-time participant per full-time equivalent position” for
36 “\$18,000 per full-time equivalent position”;

37 (iii) section 140(a)(1) of the National and Community Service Act of 1990 shall
38 be applied by substituting “200 percent of the poverty line” for “the average
39 annual subsistence allowance provided to VISTA volunteers under section 105 of
40 the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955)”; and

1 (iv) the Corporation shall waive the matching requirement described in section
2 126(a)(2) of the National and Community Service Act of 1990, in whole or in
3 part, for a State Commission, if such State Commission demonstrates need for
4 such waiver; and

5 (B) in implementing national service programs described in paragraph (3)(B)(iii)
6 and funded by the appropriations specified in paragraph (1)—

7 (i) section 105(b)(2)(A) of the Domestic Volunteer Service Act of 1973 shall be
8 applied by substituting “200 percent” for “95 percent”; and

9 (ii) section 105(b)(2)(B) of the Domestic Volunteer Service Act of 1973 shall
10 be applied by substituting “210 percent” for “105 percent”.

11 (f) Administrative Costs.—

12 (1) IN GENERAL.—In addition to amounts otherwise available, there is appropriated for
13 fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to the
14 Corporation for National and Community Service, \$1,010,400,000, to remain available until
15 September 30, 2029, which shall be used for Federal administrative expenses to carry out
16 programs and activities funded under this section, including—

17 (A) corrective actions to address recommendations arising from audits of the
18 financial statements of the Corporation and the National Service Trust, and, in
19 consultation with the Inspector General of the Corporation, the development of fraud
20 prevention and detection controls and risk-based anti-fraud monitoring for grants and
21 other financial assistance funded under this section; and

22 (B) coordination of efforts and activities with the Departments of Labor and
23 Education to support the national service programs funded under subsections (a), (c),
24 (d), and (e) in improving the readiness of participants to transition to high-quality jobs
25 or further education.

26 (2) FISCAL YEAR 2030 PROGRAM ADMINISTRATION.—In addition to amounts otherwise
27 available, there is appropriated for fiscal year 2030, out of any money in the Treasury not
28 otherwise appropriated, to the Corporation for National and Community Service,
29 \$79,800,000, to remain available until September 30, 2030, which shall be used, in fiscal
30 year 2030, for Federal administrative expenses to carry out programs and activities funded
31 under this section.

32 (3) PLAN.—In addition to amounts otherwise available, there is appropriated for fiscal
33 year 2022, out of any money in the Treasury not otherwise appropriated, to the Corporation,
34 \$300,000, to remain available until September 30, 2023, which shall be used by the Chief
35 Executive Officer of the Corporation to—

36 (A) develop, publish, and implement, not later than 180 days after the date of
37 enactment of this Act, a project, operations, and management plan for funds
38 appropriated under this section; and

39 (B) consult with the Secretary of Labor and the Inspector General of the Corporation
40 in developing the plan under subparagraph (A).

41 (4) OUTREACH.—In addition to amounts otherwise made available, there is appropriated

1 for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to the
2 Corporation for National and Community Service, \$49,500,000, to remain available until
3 September 30, 2030, for outreach to and recruitment of members from communities
4 traditionally underrepresented in national service programs and members of a community
5 experiencing a significant dislocation of workers, including energy transition communities.

6 (g) Office of Inspector General.—In addition to amounts otherwise available, there is
7 appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
8 to the Corporation for National and Community Service, \$75,000,000, to remain available until
9 September 30, 2030, which shall be used for the Office of Inspector General of the Corporation
10 for salaries and expenses necessary for oversight and audit of programs and activities funded
11 under this section.

12 (h) National Service Trust.—

13 (1) IN GENERAL.—In addition to amounts otherwise available, there is appropriated for
14 fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to the
15 National Service Trust, \$1,150,000,000, to remain available until September 30, 2030, for—

16 (A) administration of the National Service Trust; and

17 (B) payment to the Trust for the provision of national service educational awards
18 and interest expenses—

19 (i) for participants, for a term of service supported by funds made available
20 under subsection (e); and

21 (ii) pursuant to section 145(a)(1)(A) of the National and Community Service
22 Act of 1990.

23 (2) SUPPLEMENTAL EDUCATIONAL AWARDS.—

24 (A) APPROPRIATION.—In addition to amounts otherwise available, there is
25 appropriated for fiscal year 2022, out of any money in the Treasury not otherwise
26 appropriated, to the National Service Trust, \$1,660,000,000, to remain available until
27 September 30, 2030, for payment to the National Service Trust for the purpose of
28 providing a supplemental national service educational award to an individual eligible
29 to receive a national service educational award pursuant to section 146(a), and the
30 individual's transferee pursuant to section 148(f), of the National and Community
31 Service Act of 1990, for a term of service that began after the date of enactment of this
32 Act in a national service program (including a term of service supported by funds made
33 available under subsection (e)).

34 (B) AWARD AVAILABILITY.—The supplemental educational award referred to in
35 subparagraph (A) shall be available to an individual or their transferee described in
36 subparagraph (A) in accordance with the paragraph (3).

37 (C) CALCULATION.—The amount of the supplemental educational award that shall
38 be available to an individual or their transferee described in subparagraph (A) shall be
39 calculated as follows:

40 (i) AMOUNT FOR FULL-TIME NATIONAL SERVICE.—For an individual who
41 completes a required term of full-time national service, or the individual's

1 transferee—

2 (I) in a case in which the award year for which the national service
3 position is approved by the Corporation is award year 2022-2023, 50 percent
4 of the maximum amount of a Federal Pell Grant under section 401 of the
5 Higher Education Act of 1965 that a student eligible for such Grant may
6 receive in the aggregate for such award year; and

7 (II) in a case in which the award year for which the national service
8 position is approved by the Corporation is award year 2023-2024 or a
9 subsequent award year, 50 percent of the total maximum Federal Pell Grant
10 under section 401 of the Higher Education Act of 1965 that a student eligible
11 for such Grant may receive in the aggregate for such award year.

12 (ii) AMOUNT FOR PART-TIME NATIONAL SERVICE.—For an individual who
13 completes a required term of part-time national service, or the individual’s
14 transferee, 50 percent of the amount determined under clause (i).

15 (iii) AMOUNT FOR PARTIAL COMPLETION OF NATIONAL SERVICE.—For an
16 individual released from completing the full-time or part-time term of service
17 agreed to by the individuals, or the individual’s transferee, the portion of the
18 amount determined under clause (i) that corresponds to the portion of the term of
19 service completed by the individual.

20 (3) PERIOD OF AVAILABILITY FOR NATIONAL SERVICE EDUCATIONAL AWARDS.—

21 (A) IN GENERAL.—Notwithstanding section 146(d) of the National and Community
22 Service Act of 1990, relating to a period of time for use of a national service
23 educational award, or any extensions to such time period granted under section
24 146(d)(2) of such Act, an individual eligible to receive a national service educational
25 award for a term of service supported by funds made available under subsection (e), or
26 the individual’s transferee, and an individual eligible to receive a supplemental
27 educational award described in paragraph (2) for a term of service, or the individual’s
28 transferee, shall not use, after September 30, 2030, the national service educational
29 award or supplemental educational award for the term of service involved, and the
30 national service educational award and supplemental educational award shall be
31 available for the lengths of time described in subparagraph (B).

32 (B) LENGTHS OF TIME.—The lengths of time described in this subparagraph are as
33 follows:

34 (i) For an individual who completes the term of service involved by September
35 30, 2023 or the individual’s transferee, until the end of the 7-year period
36 beginning on that date.

37 (ii) For an individual who completes such term of service by September 30,
38 2024 or the individual’s transferee, until the end of the 6-year period beginning on
39 that date.

40 (iii) For an individual who completes such term of service by September 30,
41 2025 or the individual’s transferee, until the end of the 5-year period beginning on
42 that date.

1 (iv) For an individual who completes such term of service by September 30,
2 2026 or the individual's transferee, until the end of the 4-year period beginning on
3 that date.

4 (v) For an individual who completes such term of service by September 30,
5 2027 or the individual's transferee, until the end of the 3-year period beginning on
6 that date.

7 (vi) For an individual who completes such term of service by September 30,
8 2028 or the individual's transferee, until the end of the 2-year period beginning on
9 that date.

10 (vii) For an individual who completes such term of service by September 30,
11 2029 or the individual's transferee, until the end of the 1-year period beginning on
12 that date.

13 (i) Limitation.—The funds made available under this section are subject to the condition that
14 the Corporation shall not—

15 (1) use such funds to make any transfer to the National Service Trust for any use, or enter
16 into any agreement involving such funds—

17 (A) that is for a term extending beyond September 30, 2031; or

18 (B) for which or under which any payment could be outlaid after September 30,
19 2031; and

20 (2) use any other funds available to the Corporation to liquidate obligations made under
21 this section.

22 (j) Definition.—For purposes of this section, the term “registered apprenticeship program”
23 means an apprenticeship program registered with the Office of Apprenticeship of the
24 Employment and Training Administration of the Department of Labor, or a State apprenticeship
25 agency recognized by the Office of Apprenticeship, pursuant to the Act of August 16, 1937
26 (commonly known as the “National Apprenticeship Act”; 50 Stat. 664, chapter 663).

27 SEC. 26002. WORKFORCE DEVELOPMENT IN SUPPORT 28 OF CLIMATE RESILIENCE AND MITIGATION.

29 (a) YouthBuild.—In addition to amounts otherwise available, there is appropriated to the
30 Department of Labor for fiscal year 2022, out of any amounts in the Treasury not otherwise
31 appropriated, \$450,000,000, to remain available until September 30, 2026, to support activities
32 aligned with high-quality employment opportunities in industry sectors or occupations related to
33 climate resilience or mitigation and aligned with the activities described in subsection (e)(3) of
34 section 26001 by—

35 (1) carrying out activities described in section 171(c)(2) of the Workforce Innovation and
36 Opportunity Act; and

37 (2) improving and expanding access to services, stipends, wages, and benefits described
38 in subparagraphs (A)(vii) and (F) of section 171(c)(2) of such Act.

39 (b) Job Corps.—

1 (1) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the
2 Department of Labor for fiscal year 2022, out of any amounts in the Treasury not otherwise
3 appropriated, \$450,000,000, to remain available until September 30, 2026, to support
4 activities aligned with high-quality employment opportunities in industry sectors or
5 occupations related to climate resilience or mitigation and aligned with the activities
6 described in subsection (e)(3) of section 26001 by—

7 (A) providing funds to operators and service providers to—

8 (i) carry out the activities and services described in sections 148 and 149 of the
9 Workforce Innovation and Opportunity Act; and

10 (ii) improve and expand access to allowances and services described in section
11 150 of such Act; and

12 (B) notwithstanding section 158(c) of such Act, constructing, rehabilitating, and
13 acquiring Job Corps centers to support activities described in ~~subparagraphs~~
14 **subparagraph (A) and (B).**

15 (2) ELIGIBILITY.—For the purposes of carrying out paragraph (1), an entity in a State or
16 outlying area may be eligible to be selected as an operator or service provider.

17 (c) Pre-apprenticeship, and Registered Apprenticeship Programs.—

18 (1) PRE-APPRENTICESHIP PROGRAMS.—In addition to amounts otherwise available, there
19 is appropriated to the Department of Labor for fiscal year 2022, out of any amounts in the
20 Treasury not otherwise appropriated, \$1,000,000,000, to remain available until September
21 30, 2026, to carry out activities through grants, cooperative agreements, contracts, or other
22 arrangements, to create or expand pre-apprenticeship programs that articulate to registered
23 apprenticeship programs, are aligned with high-quality employment opportunities in
24 industry sectors or occupations related to climate resilience or mitigation, and are aligned
25 with the activities described in subsection (e)(3) of section 26001.

26 (2) PRE-APPRENTICESHIP PARTNERSHIPS.—In addition to amounts otherwise available,
27 there is appropriated to the Department of Labor for fiscal year 2022, out of any amounts in
28 the Treasury not otherwise appropriated, \$150,000,000, to remain available until September
29 30, 2026, to support partnerships between entities carrying out pre-apprenticeship programs
30 that articulate to registered apprenticeship programs and entities funded under subsection
31 (e) of section 26001 to ensure past and current participants in programs funded under
32 subsection (e)(1) of section 26001 have access to such pre-apprenticeship programs.

33 (3) REGISTERED APPRENTICESHIP PROGRAMS.—In addition to amounts otherwise
34 available, there is appropriated to the Department of Labor for fiscal year 2022, out of any
35 amounts in the Treasury not otherwise appropriated, \$450,000,000, to remain available until
36 September 30, 2026, to carry out activities through grants, cooperative agreements,
37 contracts, or other arrangements, to create or expand registered apprenticeship programs in
38 climate-related nontraditional apprenticeship occupations.

39 (4) PARTICIPANTS WITH BARRIERS TO EMPLOYMENT AND NONTRADITIONAL
40 APPRENTICESHIP POPULATIONS.—In addition to amounts otherwise available, there is
41 appropriated to the Department of Labor for fiscal year 2022, out of any amounts in the
42 Treasury not otherwise appropriated, \$350,000,000, to remain available until September 30,

1 2026, for entities to carry out pre-apprenticeship programs described in paragraph (1), and
2 registered apprenticeship program described in paragraph (3), serving a high number or
3 high percentage of individuals with barriers to employment, including individuals with
4 disabilities, or nontraditional apprenticeship populations.

5 (d) Reentry Employment Opportunities Program.—In addition to amounts otherwise available,
6 there is appropriated to the Department of Labor for fiscal year 2022, out of any amounts in the
7 Treasury not otherwise appropriated, \$1,000,000,000, to remain available until September 30,
8 2026, for the Reentry Employment Opportunities program, which amount shall be used to
9 support activities aligned with high-quality employment opportunities in industry sectors or
10 occupations related to climate resilience or mitigation and aligned with the activities described in
11 subsection (e)(3) of section 26001.

12 (e) Paid Youth Employment Opportunities.—In addition to amounts otherwise available, there
13 is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise
14 appropriated, to the Department of Labor, \$350,000,000, to remain available until September 30,
15 2026, to carry out activities through grants, contracts, or cooperative agreements, for the
16 purposes of providing in-school youth and out-of-school youth with paid work experiences
17 authorized under section 129(c)(2)(C) of the Workforce Innovation and Opportunity Act,
18 notwithstanding section 194(10) of such Act, that are—

19 (1) carried out by public agencies or private nonprofit entities, including
20 community-based organizations;

21 (2) provided in conjunction with supportive services and other elements described in
22 section 129(c)(2) of such Act;

23 (3) aligned with the activities described in subsection (e)(3) of section 26001; and

24 (4) designed to prepare participants for—

25 (A) high-quality, unsubsidized employment opportunities in industry sectors or
26 occupations related to climate resilience or mitigation;

27 (B) enrollment in an institution of higher education (as defined in section 101 or
28 102(c) of the Higher Education Act of 1965); and

29 (C) registered apprenticeship programs.

30 (f) Department of Labor Inspector General.—In addition to amounts otherwise available, there
31 is appropriated to the Office of Inspector General of the Department of Labor for fiscal year
32 2022, out of any money in the Treasury not otherwise appropriated, \$10,000,000, to remain
33 available until expended, for salaries and expenses necessary for oversight, investigations, and
34 audits of programs, grants, and projects of the Department of Labor funded under this section.

35 (g) Administration.—

36 (1) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the
37 Department of Labor for fiscal year 2022, out of any money in the Treasury not otherwise
38 appropriated, \$69,800,000, to remain available until September 30, 2029, for program
39 administration within the Department of Labor for salaries and expenses necessary to
40 implement this section.

41 (2) PLAN.—In addition to amounts otherwise available, there is appropriated for fiscal

1 year 2022, out of any money in the Treasury not otherwise appropriated, to the Department
2 of Labor, \$200,000, to remain available until September 30, 2023, which shall be used by
3 the Secretary to—

4 (A) develop, publish, and implement, not later than 180 days after the date of
5 enactment of this Act, a project, operations, and management plan for funds
6 appropriated under this section; and

7 (B) consult with the Chief Executive Officer of the Corporation for National and
8 Community Service in developing the plan under subparagraph (A).

9 (h) Definition.—For purposes of this section:

10 (1) CLIMATE-RELATED NONTRADITIONAL APPRENTICESHIP OCCUPATION.—The term
11 “climate-related nontraditional apprenticeship occupation” means an apprenticeable
12 occupation—

13 (A) that aligns with the activities described in subsection (e)(3) of section 26001;

14 (B) in an industry sector that trains less than 10 percent of all civilian registered
15 apprentices as of the date of the enactment of this Act; and

16 (C) that is related to climate resilience or mitigation.

17 (2) REGISTERED APPRENTICESHIP PROGRAM.— The term “registered apprenticeship
18 program” means an apprenticeship program registered with the Office of Apprenticeship of
19 the Employment and Training Administration of the Department of Labor, or a State
20 apprenticeship agency recognized by the Office of Apprenticeship, pursuant to the Act of
21 August 16, 1937 (commonly known as the “National Apprenticeship Act”; 50 Stat. 664,
22 chapter 663).

23 (3) WIOA DEFINITIONS.—The terms “community-based organization”, “individual with a
24 barrier to employment”, “in-school youth”, “outlying area”, and “out-of-school youth” have
25 the meanings given such terms in paragraphs (10), (24), (27), (45), and (46), respectively, of
26 section 3 of the Workforce Innovation and Opportunity Act.

27 **Subtitle H—Prescription Drug Coverage Provisions**

28 **SEC. 27001. REQUIREMENTS WITH RESPECT TO** 29 **COST-SHARING FOR CERTAIN INSULIN PRODUCTS.**

30 (a) **In General.**—Subpart B of part 7 of subtitle B of title I of the Employee Retirement
31 Income Security Act of 1974 (29 U.S.C. 1185 et seq.) is amended by adding at the end the
32 following:

33 **“SEC. 726. REQUIREMENTS WITH RESPECT TO** 34 **COST-SHARING FOR CERTAIN INSULIN PRODUCTS.**

35 **“(a) In General.**—For plan years beginning on or after January 1, 2023, a group health
36 plan or health insurance issuer offering group health insurance coverage shall provide
37 coverage of selected insulin products, and with respect to such products, shall not—

1 “(1) apply any deductible; or

2 “(2) impose any cost-sharing in excess of the lesser of, per 30-day supply—

3 “(A) \$35; or

4 “(B) the amount equal to 25 percent of the negotiated price of the selected
5 insulin product net of all price concessions received by or on behalf of the plan or
6 coverage, including price concessions received by or on behalf of third-party
7 entities providing services to the plan or coverage, such as pharmacy benefit
8 management services.

9 “(b) Definitions.—In this section:

10 “(1) **SELECTED INSULIN PRODUCTS.**—The term ‘selected insulin products’ means at
11 least one of each dosage form (such as vial, pump, or inhaler dosage forms) of each
12 different type (such as rapid-acting, short-acting, intermediate-acting, long-acting,
13 ultra long-acting, and premixed) of insulin (as defined below), when available, as
14 selected by the group health plan or health insurance issuer.

15 “(2) **INSULIN DEFINED.**—The term ‘insulin’ means insulin that is licensed under
16 subsection (a) or (k) of section 351 of the Public Health Service Act (42 U.S.C. 262) and
17 continues to be marketed under such section, including any insulin product that has
18 been deemed to be licensed under section 351(a) of such Act pursuant to section
19 7002(e)(4) of the Biologics Price Competition and Innovation Act of 2009 (Public Law
20 111–148) and continues to be marketed pursuant to such licensure.

21 “(c) **Out-of-network Providers.**—Nothing in this section requires a plan or issuer that
22 has a network of providers to provide benefits for selected insulin products described in
23 this section that are delivered by an out-of-network provider, or precludes a plan or issuer
24 that has a network of providers from imposing higher cost-sharing than the levels specified
25 in subsection (a) for selected insulin products described in this section that are delivered by
26 an out-of-network provider.

27 “(d) **Rule of Construction.**—Subsection (a) shall not be construed to require coverage of,
28 or prevent a group health plan or health insurance coverage from imposing cost-sharing
29 other than the levels specified in subsection (a) on, insulin products that are not selected
30 insulin products, to the extent that such coverage is not otherwise required and such
31 cost-sharing is otherwise permitted under Federal and applicable State law.

32 “(e) **Application of Cost-sharing Towards Deductibles and Out-of-pocket**
33 **Maximums.**—Any cost-sharing payments made pursuant to subsection (a)(2) shall be
34 counted toward any deductible or out-of-pocket maximum that applies under the plan or
35 coverage.”.

36 (b) **Clerical Amendment.**—The table of contents in section 1 of the Employee Retirement
37 Income Security Act of 1974 (29 U.S.C. 1001 et seq.) is amended by inserting after the item
38 relating to section 725 the following:

39 “Sec.726.Requirements with respect to cost-sharing for certain insulin products.”.

40 **SEC. 27002. OVERSIGHT OF PHARMACY BENEFIT**

1 **MANAGER SERVICES.**

2 (a) In General.—Subtitle B of title I of the Employee Retirement Income Security Act of
3 1974 (29 U.S.C. 1021 et seq.) is amended—

4 (1) in subpart B of part 7 (29 U.S.C. 1185 et seq.), by adding at the end the
5 following:

6 **“SEC. 727. OVERSIGHT OF PHARMACY BENEFIT** 7 **MANAGER SERVICES.**

8 “(a) In General.—For plan years beginning on or after January 1, 2023, a group health
9 plan (or health insurance issuer offering group health insurance coverage in connection
10 with such a plan) or an entity or subsidiary providing pharmacy benefits management
11 services on behalf of such a plan or issuer shall not enter into a contract with a drug
12 manufacturer, distributor, wholesaler, subcontractor, rebate aggregator, or any associated
13 third party that limits the disclosure of information to plan sponsors in such a manner that
14 prevents the plan or issuer, or an entity or subsidiary providing pharmacy benefits
15 management services on behalf of a plan or issuer, from making the reports described in
16 subsection (b).

17 “(b) Reports.—

18 “(1) IN GENERAL.—For plan years beginning on or after January 1, 2023, not less
19 frequently than once every 6 months, a health insurance issuer offering group health
20 insurance coverage or an entity providing pharmacy benefits management services on
21 behalf of a group health plan or an issuer providing group health insurance coverage
22 shall submit to the plan sponsor (as defined in section 3(16)(B)) of such group health
23 plan or group health insurance coverage a report in accordance with this subsection
24 and make such report available to the plan sponsor in a machine-readable format.
25 Each such report shall include, with respect to the applicable group health plan or
26 health insurance coverage—

27 “(A) as applicable, information collected from drug manufacturers by such
28 issuer or entity on the total amount of copayment assistance dollars paid, or
29 copayment cards applied, that were funded by the drug manufacturer with
30 respect to the participants and beneficiaries in such plan or coverage;

31 “(B) a list of each drug covered by such plan, issuer, or entity providing
32 pharmacy benefit management services that was dispensed during the reporting
33 period, including, with respect to each such drug during the reporting period—

34 “(i) the brand name, chemical entity, and National Drug Code;

35 “(ii) the number of participants and beneficiaries for whom the drug was
36 filled during the plan year, the total number of prescription fills for the drug
37 (including original prescriptions and refills), and the total number of dosage
38 units of the drug dispensed across the plan year, including whether the
39 dispensing channel was by retail, mail order, or specialty pharmacy;

40 “(iii) the wholesale acquisition cost, listed as cost per days supply and cost

1 per pill, or in the case of a drug in another form, per dose;

2 “(iv) the total out-of-pocket spending by participants and beneficiaries on
3 such drug, including participant and beneficiary spending through
4 copayments, coinsurance, and deductibles; and

5 “(v) for any drug for which gross spending of the group health plan or
6 health insurance coverage exceeded \$10,000 during the reporting period—

7 “(I) a list of all other drugs in the same therapeutic category or class,
8 including brand name drugs and biological products and generic drugs
9 or biosimilar biological products that are in the same therapeutic
10 category or class as such drug; and

11 “(II) the rationale for preferred formulary placement of such drug in
12 that therapeutic category or class;

13 “(C) a list of each therapeutic category or class of drugs that were dispensed
14 under the health plan or health insurance coverage during the reporting period,
15 and, with respect to each such therapeutic category or class of drugs, during the
16 reporting period—

17 “(i) total gross spending by the plan, before manufacturer rebates, fees, or
18 other manufacturer remuneration;

19 “(ii) the number of participants and beneficiaries who filled a prescription
20 for a drug in that category or class;

21 “(iii) if applicable to that category or class, a description of the formulary
22 tiers and utilization mechanisms (such as prior authorization or step
23 therapy) employed for drugs in that category or class;

24 “(iv) the total out-of-pocket spending by participants and beneficiaries,
25 including participant and beneficiary spending through copayments,
26 coinsurance, and deductibles; and

27 “(v) for each therapeutic category or class under which 3 or more drugs
28 are included on the formulary of such plan or coverage—

29 “(I) the amount received, or expected to be received, from drug
30 manufacturers in rebates, fees, alternative discounts, or other
31 remuneration—

32 “(aa) to be paid by drug manufacturers for claims incurred
33 during the reporting period; or

34 “(bb) that is related to utilization of drugs, in such therapeutic
35 category or class;

36 “(II) the total net spending, after deducting rebates, price concessions,
37 alternative discounts or other remuneration from drug manufacturers,
38 by the health plan or health insurance coverage on that category or class
39 of drugs; and

40 “(III) the net price per course of treatment or single fill, such as a

1 **30-day supply or 90-day supply, incurred by the health plan or health**
2 **insurance coverage and its participants and beneficiaries, after**
3 **manufacturer rebates, fees, and other remuneration for drugs dispensed**
4 **within such therapeutic category or class during the reporting period;**

5 **“(D) total gross spending on prescription drugs by the plan or coverage during**
6 **the reporting period, before rebates and other manufacturer fees or**
7 **remuneration;**

8 **“(E) total amount received, or expected to be received, by the health plan or**
9 **health insurance coverage in drug manufacturer rebates, fees, alternative**
10 **discounts, and all other remuneration received from the manufacturer or any**
11 **third party, other than the plan sponsor, related to utilization of drug or drug**
12 **spending under that health plan or health insurance coverage during the**
13 **reporting period;**

14 **“(F) the total net spending on prescription drugs by the health plan or health**
15 **insurance coverage during the reporting period; and**

16 **“(G) amounts paid directly or indirectly in rebates, fees, or any other type of**
17 **remuneration to brokers, consultants, advisors, or any other individual or firm**
18 **who referred the group health plan’s or health insurance issuer’s business to the**
19 **pharmacy benefit manager.**

20 **“(2) PRIVACY REQUIREMENTS.—Health insurance issuers offering group health**
21 **insurance coverage and entities providing pharmacy benefits management services on**
22 **behalf of a group health plan shall provide information under paragraph (1) in a**
23 **manner consistent with the privacy, security, and breach notification regulations**
24 **promulgated under section 264(c) of the Health Insurance Portability and**
25 **Accountability Act of 1996, and shall restrict the use and disclosure of such**
26 **information according to such privacy regulations.**

27 **“(3) DISCLOSURE AND REDISCLOSURE.—**

28 **“(A) LIMITATION TO BUSINESS ASSOCIATES.—A group health plan receiving a**
29 **report under paragraph (1) may disclose such information only to business**
30 **associates of such plan as defined in section 160.103 of title 45, Code of Federal**
31 **Regulations (or successor regulations).**

32 **“(B) CLARIFICATION REGARDING PUBLIC DISCLOSURE OF**
33 **INFORMATION.—Nothing in this section prevents a health insurance issuer**
34 **offering group health insurance coverage or an entity providing pharmacy**
35 **benefits management services on behalf of a group health plan from placing**
36 **reasonable restrictions on the public disclosure of the information contained in a**
37 **report described in paragraph (1), except that such issuer or entity may not**
38 **restrict disclosure of such report to the Department of Health and Human**
39 **Services, the Department of Labor, or the Department of the Treasury.**

40 **“(C) LIMITED FORM OF REPORT.—The Secretary shall define through**
41 **rulemaking a limited form of the report under paragraph (1) required of plan**
42 **sponsors who are drug manufacturers, drug wholesalers, or other direct**
43 **participants in the drug supply chain, in order to prevent anti-competitive**

1 behavior.

2 “(4) REPORT TO GAO.—A health insurance issuer offering group health insurance
3 coverage or an entity providing pharmacy benefits management services on behalf of a
4 group health plan shall submit to the Comptroller General of the United States each of
5 the first 4 reports submitted to a plan sponsor under paragraph (1) with respect to
6 such coverage or plan, and other such reports as requested, in accordance with the
7 privacy requirements under paragraph (2) and the disclosure and redisclosure
8 standards under paragraph (3), and such other information that the Comptroller
9 General determines necessary to carry out the study under section 30606(b) of the Act
10 entitled ‘An Act to provide for reconciliation pursuant to title II of S. Con. Res. 14’.

11 “(c) Enforcement.—

12 “(1) IN GENERAL.—The Secretary, in consultation with the Secretary of Health and
13 Human Services and the Secretary of the Treasury, shall enforce this section.

14 “(2) FAILURE TO PROVIDE TIMELY INFORMATION.—A health insurance issuer or an
15 entity providing pharmacy benefit management services that violates subsection (a) or
16 fails to provide information required under subsection (b), or a drug manufacturer
17 that fails to provide information under subsection (b)(1)(A) in a timely manner, shall
18 be subject to a civil monetary penalty in the amount of \$10,000 for each day during
19 which such violation continues or such information is not disclosed or reported.

20 “(3) FALSE INFORMATION.—A health insurance issuer, entity providing pharmacy
21 benefit management services, or drug manufacturer that knowingly provides false
22 information under this section shall be subject to a civil money penalty in an amount
23 not to exceed \$100,000 for each item of false information. Such civil money penalty
24 shall be in addition to other penalties as may be prescribed by law.

25 “(4) PROCEDURE.—The provisions of section 1128A of the Social Security Act, other
26 than subsection (a) and (b) and the first sentence of subsection (c)(1) of such section
27 shall apply to civil monetary penalties under this subsection in the same manner as
28 such provisions apply to a penalty or proceeding under section 1128A of the Social
29 Security Act.

30 “(5) WAIVERS.—The Secretary may waive penalties under paragraph (2), or extend
31 the period of time for compliance with a requirement of this section, for an entity in
32 violation of this section that has made a good-faith effort to comply with this section.

33 “(d) Rule of Construction.—Nothing in this section shall be construed to permit a health
34 insurance issuer, group health plan, or other entity to restrict disclosure to, or otherwise
35 limit the access of, the Department of Labor to a report described in subsection (b)(1) or
36 information related to compliance with subsection (a) by such issuer, plan, or entity.

37 “(e) Definition.—In this section, the term ‘wholesale acquisition cost’ has the meaning
38 given such term in section 1847A(c)(6)(B) of the Social Security Act.”; and

39 (2) in section 502(b)(3) (29 U.S.C. 1132(b)(3)), by inserting “(other than section
40 727)” after “part 7”.

41 (b) Clerical Amendment.—The table of contents in section 1 of the Employee Retirement
42 Income Security Act of 1974 (29 U.S.C. 1001 et seq.) is amended by inserting after the item

- 1 relating to section 726 the following new item:
- 2 “Sec.727.Oversight of pharmacy benefit manager services.”.

House Office of Legislative Counsel

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1 This redlined draft, generated by CompareRite (TM) - The Instant Redliner, shows the
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TITLE III—COMMITTEE ON ENERGY AND COMMERCE

Subtitle A—Air Pollution

SEC. 30101. CLEAN HEAVY-DUTY VEHICLES.

The Clean Air Act is amended by inserting after section 131 of such Act (42 U.S.C. 7431) the following:

“SEC. 132. CLEAN HEAVY-DUTY VEHICLES.

“(a) Appropriations.—

“(1) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Administrator for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$3,000,000,000, to remain available until September 30, 2031, to carry out this section.

“(2) NONATTAINMENT AREAS.—In addition to amounts otherwise available, there is appropriated to the Administrator for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$2,000,000,000, to remain available until September 30, 2031, to make awards under this section to eligible recipients and to eligible contractors that propose to replace eligible vehicles to serve 1 or more communities located in an air quality area designated pursuant to section 107 as nonattainment for any air pollutant.

“(3) RESERVATION.—Of the funds appropriated by paragraph (1), the Administrator shall reserve 3 percent for administrative costs necessary to carry out this section.

“(b) Program.—Beginning not later than 180 days after the date of enactment of this section, the Administrator shall implement a program to make awards of grants and rebates to eligible recipients, and to make awards of contracts to eligible contractors for providing rebates, for up to 100 percent of costs for—

“(1) replacing eligible vehicles with zero-emission vehicles;

“(2) purchasing, installing, operating, and maintaining infrastructure needed to charge, fuel, or maintain zero-emission vehicles;

“(3) workforce development and training to support the maintenance, charging, fueling, and operation of zero-emission vehicles; and

“(4) planning and technical activities to support the adoption and deployment of zero-emission vehicles.

“(c) Applications.—To seek an award under this section, an eligible recipient or eligible contractor shall submit to the Administrator an application at such time, in such manner, and containing such information as the Administrator shall prescribe.

“(d) Definitions.—For purposes of this section:

“(1) ELIGIBLE CONTRACTOR.—The term ‘eligible contractor’ means a contractor that ~~is a for-profit or nonprofit entity that~~ has the capacity—

1 “(A) to sell zero-emission vehicles, or charging or other equipment needed to
2 charge, fuel, or maintain zero-emission vehicles, to individuals or entities that own an
3 eligible vehicle; or

4 “(B) to arrange financing for such a sale.

5 “(2) ELIGIBLE RECIPIENT.—The term ‘eligible recipient’ means—

6 “(A) a State;

7 “(B) a municipality;

8 “(C) an Indian tribe; **or**

9 “(D) a nonprofit school transportation association. ~~;~~ ~~or~~

10 ~~“(E) an eligible contractor.~~

11 “(3) ELIGIBLE VEHICLE.—The term ‘eligible vehicle’ means a Class 6 or Class 7
12 heavy-duty vehicle as defined in section 1037.801 of title 40, Code of Federal Regulations
13 (as in effect on the date of enactment of this section).

14 “(4) ZERO-EMISSION VEHICLE.—The term ‘zero-emission vehicle’ means a vehicle that
15 has a drivetrain that produces, under any possible operational mode or condition, zero
16 exhaust emissions of—

17 “(A) any air pollutant that is listed pursuant to section 108(a) (or any precursor to
18 such an air pollutant); and

19 “(B) any greenhouse gas.”.

20 **SEC. 30102. GRANTS TO REDUCE AIR POLLUTION AT** 21 **PORTS.**

22 The Clean Air Act is amended by inserting after section 132 of such Act, as added by section
23 30101 of this Act, the following:

24 **“SEC. 133. GRANTS TO REDUCE AIR POLLUTION AT** 25 **PORTS.**

26 “(a) Appropriations.—

27 “(1) GENERAL ASSISTANCE.—In addition to amounts otherwise available, there is
28 appropriated to the Administrator for fiscal year 2022, out of any money in the Treasury not
29 otherwise appropriated, \$2,625,000,000, to remain available until September 30, ~~2031~~ **2027**,
30 to award rebates and grants to eligible recipients on a competitive basis—

31 “(A) to purchase or install zero-emission port equipment or technology for use at, or
32 to directly serve, one or more ports;

33 “(B) to conduct any relevant planning or permitting in connection with the purchase
34 or installation of such zero-emission port equipment or technology; and

35 “(C) to develop qualified climate action plans.

36 “(2) NONATTAINMENT AREAS.—In addition to amounts otherwise available, there is

1 appropriated to the Administrator for fiscal year 2022, out of any money in the Treasury not
2 otherwise appropriated, \$875,000,000, to remain available until September 30, ~~2031~~ **2027**,
3 to award rebates and grants to eligible recipients to carry out activities described in
4 paragraph (1) with respect to ports located in air quality areas designated pursuant to section
5 107 as nonattainment for an air pollutant.

6 “(b) Limitation.—Funds awarded under this section shall not be used by any recipient or
7 subrecipient to purchase or install zero-emission port equipment or technology that will not be
8 located at, or directly serve, the one or more ports involved.

9 “(c) Administration of Funds.—Of the funds made available by this section, the Administrator
10 shall reserve 2 percent for administrative costs necessary to carry out this section.

11 “(d) Definitions.—In this section:

12 “(1) ELIGIBLE RECIPIENT.—The term ‘eligible recipient’ means—

13 “(A) a port authority;

14 “(B) a State, regional, local, or Tribal agency that has jurisdiction over a port
15 authority or a port;

16 “(C) an air pollution control agency; or

17 “(D) a private entity (including a nonprofit organization) that—

18 “(i) applies for a grant under this section in partnership with an entity described
19 in any of subparagraphs (A) through (C); and

20 “(ii) owns, operates, or uses the facilities, cargo-handling equipment,
21 transportation equipment, or related technology of a port.

22 “(2) QUALIFIED CLIMATE ACTION PLAN.—The term ‘qualified climate action plan’ means
23 a detailed and strategic plan that—

24 “(A) establishes goals, implementation strategies, and accounting and inventory
25 practices (including practices used to measure progress toward stated goals) to reduce
26 emissions at one or more ports of—

27 “(i) greenhouse gases;

28 “(ii) an air pollutant that is listed pursuant to section 108(a) (or any precursor to
29 such an air pollutant); and

30 “(iii) hazardous air pollutants;

31 “(B) includes a strategy to collaborate with, communicate with, and address
32 potential effects on stakeholders that may be affected by implementation of the plan,
33 including low-income and disadvantaged near-port communities; and

34 “(C) describes how an eligible recipient has implemented or will implement
35 measures to increase the resilience of the one or more ports involved, including
36 measures related to withstanding and recovering from extreme weather events.

37 “(3) ZERO-EMISSION PORT EQUIPMENT OR TECHNOLOGY.—The term ‘zero-emission port
38 equipment or technology’ means human-operated equipment or human-maintained
39 technology that—

1 “(A) produces zero emissions of any air pollutant that is listed pursuant to section
2 108(a) (or any precursor to such an air pollutant) and any greenhouse gas other than
3 water vapor; or

4 “(B) captures 100 percent of the emissions described in subparagraph (A) that are
5 produced by an ocean-going vessel at berth.”.

6 SEC. 30103. GREENHOUSE GAS REDUCTION FUND.

7 The Clean Air Act is amended by inserting after section 133 of such Act, as added by section
8 30102 of this Act, the following:

9 “SEC. 134. GREENHOUSE GAS REDUCTION FUND.

10 “(a) Appropriations.—

11 “(1) ZERO-EMISSION TECHNOLOGIES.—In addition to amounts otherwise available, there
12 is appropriated to the Administrator for fiscal year 2022, out of any money in the Treasury
13 not otherwise appropriated, \$7,000,000,000, to remain available until September 30, 2024,
14 to make grants, on a competitive basis and beginning not later than 180 calendar days after
15 the date of enactment of this section, to States, municipalities, Tribal governments, and
16 eligible recipients for the purposes of providing grants, loans, or other forms of financial
17 assistance, as well as technical assistance, to enable low-income and disadvantaged
18 communities to deploy **or benefit from** zero-emission technologies, including distributed
19 technologies on residential rooftops, and to carry out other greenhouse gas emission
20 reduction activities, as determined appropriate by the Administrator in accordance with this
21 section.

22 “(2) ZERO-EMISSION VEHICLE SUPPLY EQUIPMENT.—In addition to amounts otherwise
23 available, there is appropriated to the Administrator for fiscal year 2022, out of any money
24 in the Treasury not otherwise appropriated, \$2,000,000,000, to remain available until
25 September 30, 2024, to make grants, on a competitive basis and beginning not later than
26 180 calendar days after the date of enactment of this section, to States, municipalities,
27 Tribal governments, and eligible recipients to support the purchase, installation, or
28 operation of publicly available equipment to charge or fuel light-duty zero-emission
29 vehicles, including in low-income and disadvantaged communities, through grants, rebates,
30 or other forms of financial assistance, and to carry out related greenhouse gas emission
31 reduction activities, as determined appropriate by the Administrator in accordance with this
32 section.

33 “(3) GENERAL ASSISTANCE.—In addition to amounts otherwise available, there is
34 appropriated to the Administrator for fiscal year 2022, out of any money in the Treasury not
35 otherwise appropriated, \$11,970,000,000, to remain available until September 30, 2024, to
36 make grants, on a competitive basis and beginning not later than 180 calendar days after the
37 date of enactment of this section, to eligible recipients for the purposes of providing
38 financial assistance and technical assistance in accordance with subsection (b).

39 “(4) LOW-INCOME AND DISADVANTAGED COMMUNITIES.—In addition to amounts
40 otherwise available, there is appropriated to the Administrator for fiscal year 2022, out of
41 any money in the Treasury not otherwise appropriated, \$8,000,000,000, to remain available
42 until September 30, 2024, to make grants, on a competitive basis and beginning not later

1 than 180 calendar days after the date of enactment of this section, to eligible recipients for
2 the purposes of providing financial assistance and technical assistance in low-income and
3 disadvantaged communities in accordance with subsection (b).

4 “(5) ADMINISTRATIVE COSTS.—In addition to amounts otherwise available, there is
5 appropriated to the Administrator for fiscal year 2022, out of any money in the Treasury not
6 otherwise appropriated, \$30,000,000, to remain available until September 30, 2031, for the
7 administrative costs necessary to carry out activities under this section.

8 “(b) Use of Funds.—An eligible recipient that receives a grant pursuant to subsection (a) shall
9 use the grant in accordance with the following:

10 “(1) DIRECT INVESTMENT.—The eligible recipient shall—

11 “(A) use a broad range of finance and investment tools to provide financial
12 assistance to qualified projects at the national, regional, State, and local levels,
13 including, as applicable, through both concessionary and market rate financing;

14 “(B) prioritize investment in qualified projects that would otherwise lack access to
15 financing;

16 “(C) retain, manage, recycle, and monetize all repayments and other revenue
17 received from fees, interest, repaid loans, and all other types of financial assistance
18 provided using grant funds under this section to ensure continued operability; and

19 “(D) meet any requirements set forth by the Administrator to ensure accountability
20 and proper management of funds appropriated by this section.

21 “(2) INDIRECT INVESTMENT.—The eligible recipient shall provide funding and technical
22 assistance to establish new or support existing public, quasi-public, or nonprofit entities that
23 provide financial assistance to qualified projects at the State, local, territorial, or Tribal level
24 or in the District of Columbia, including community- and low-income-focused lenders and
25 capital providers.

26 “(c) Definitions.—In this section:

27 “(1) ELIGIBLE RECIPIENT.—The term ‘eligible recipient’ means a nonprofit organization
28 that—

29 “(A) is designed to provide capital, including by leveraging private capital, and other
30 forms of financial assistance for the rapid deployment of low- and zero-emission
31 products, technologies, and services;

32 “(B) does not take deposits other than deposits from repayments and other revenue
33 received from financial assistance provided using grant funds under this section;

34 “(C) is funded by public or charitable contributions; and

35 “(D) invests in or finances projects alone or in conjunction with other investors.

36 “(2) QUALIFIED PROJECT.—The term ‘qualified project’ includes any project, activity, or
37 technology that—

38 “(A) reduces or avoids greenhouse gas emissions and other forms of air pollution in
39 partnership with, and by leveraging investment from, the private sector; or

1 “(B) assists communities in the efforts of those communities to reduce or avoid
2 greenhouse gas emissions and other forms of air pollution.

3 “(3) PUBLICLY AVAILABLE EQUIPMENT.—The term ‘publicly available equipment’ means
4 equipment that—

5 “(A) is located at a multi-unit housing structure;

6 “(B) is located at a workplace and is available to employees of such workplace or
7 employees of a nearby workplace; or

8 “(C) is at a location that is publicly accessible for a minimum of 12 hours per day at
9 least 5 days per week and networked or otherwise capable of being monitored
10 remotely.

11 “(4) ZERO-EMISSION TECHNOLOGY.—The term ‘zero-emission technology’ means any
12 technology that produces zero emissions of—

13 “(A) any air pollutant that is listed pursuant to section 108(a) (or any precursor to
14 such an air pollutant); and

15 “(B) any greenhouse gas.

16 “(5) ZERO-EMISSION VEHICLE.—The term ‘zero-emission vehicle’ means a vehicle that
17 has a drivetrain that produces, under any possible operational mode or condition, zero
18 exhaust emissions of—

19 “(A) any air pollutant that is listed pursuant to section 108(a) (or any precursor to
20 such an air pollutant); and

21 “(B) any greenhouse gas.”.

22 SEC. 30104. COLLABORATIVE COMMUNITY WILDFIRE 23 AIR GRANTS.

24 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
25 Administrator of the Environmental Protection Agency for fiscal year 2022, out of any money in
26 the Treasury not otherwise appropriated, \$150,000,000, to remain available until September 30,
27 2031, for grants authorized under subsections (a) through (c) of section 103 of the Clean Air Act
28 (42 U.S.C. 7403(a)–(c)) to assist eligible entities in developing and implementing collaborative
29 community plans to prepare for smoke from wildfires, reduce risks of smoke exposure due to
30 wildfires, and mitigate the health and environmental effects of smoke from wildfires.

31 (b) Technical Assistance.—The Administrator of the Environmental Protection Agency may
32 use amounts made available under subsection (a) to provide technical assistance to any eligible
33 entity in—

34 (1) submitting an application for a grant to be made pursuant to this section; or

35 (2) carrying out a project using a grant made pursuant to this section.

36 (c) Administrative Costs.—Of the amounts made available under subsection (a), the
37 Administrator of the Environmental Protection Agency shall reserve 5 percent for administrative
38 costs to carry out this section.

1 (d) Eligible Entities.—In this section, the term “eligible entity” means a State, a territory, a
2 unit of local government (including any special district, such as an air quality management
3 district), or an Indian Tribe.

4 SEC. 30105. DIESEL EMISSIONS REDUCTIONS.

5 (a) Goods Movement.—In addition to amounts otherwise available, there is appropriated to
6 the Administrator of the Environmental Protection Agency for fiscal year 2022, out of any
7 money in the Treasury not otherwise appropriated, \$60,000,000, to remain available until
8 September 30, 2031, for grants, rebates, and loans under section 792 of the Energy Policy Act of
9 2005 (42 U.S.C. 16132) to identify and reduce diesel emissions resulting from goods movement
10 facilities, and vehicles servicing goods movement facilities, in low-income and disadvantaged
11 communities to address the health impacts of such emissions on such communities.

12 (b) Administrative Costs.—The Administrator of the Environmental Protection Agency shall
13 reserve 2 percent of the amounts made available under this section for the administrative costs
14 necessary to carry out activities pursuant to this section.

15 SEC. 30106. FUNDING TO ADDRESS AIR POLLUTION.

16 (a) Appropriations.—

17 (1) FENCELINE AIR MONITORING AND SCREENING AIR MONITORING.—In addition to
18 amounts otherwise available, there is appropriated to the Administrator of the
19 Environmental Protection Agency for fiscal year 2022, out of any money in the Treasury
20 not otherwise appropriated, \$117,500,000, to remain available until September 30, 2031, for
21 grants and other activities authorized under subsections (a) through (c) of section 103 and
22 section 105 of the Clean Air Act (42 U.S.C. 7403(a)–(c), 7405) to deploy, integrate,
23 support, and maintain fenceline air monitoring, screening air monitoring, national air toxics
24 trend stations, and other air toxics and community monitoring.

25 (2) MULTIPOLLUTANT MONITORING STATIONS.—In addition to amounts otherwise
26 available, there is appropriated to the Administrator of the Environmental Protection
27 Agency for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
28 \$50,000,000, to remain available until September 30, 2031, for grants and other activities
29 authorized under subsections (a) through (c) of section 103 and section 105 of the Clean Air
30 Act (42 U.S.C. 7403(a)–(c), 7405)—

31 (A) to expand the national ambient air quality monitoring network with new
32 multipollutant monitoring stations; and

33 (B) to replace, repair, operate, and maintain existing monitors.

34 (3) AIR QUALITY SENSORS IN LOW-INCOME AND DISADVANTAGED COMMUNITIES.—In
35 addition to amounts otherwise available, there is appropriated to the Administrator of the
36 Environmental Protection Agency for fiscal year 2022, out of any money in the Treasury
37 not otherwise appropriated, \$3,000,000, to remain available until September 30, 2031, for
38 grants and other activities authorized under subsections (a) through (c) of section 103 and
39 section 105 of the Clean Air Act (42 U.S.C. 7403(a)–(c), 7405) to deploy, integrate, and
40 operate air quality sensors in low-income and disadvantaged communities.

41 (4) EMISSIONS FROM WOOD HEATERS.—In addition to amounts otherwise available, there

1 is appropriated to the Administrator of the Environmental Protection Agency for fiscal year
2 2022, out of any money in the Treasury not otherwise appropriated, \$15,000,000, to remain
3 available until September 30, 2031, for grants and other activities authorized under
4 subsections (a) through (c) of section 103 and section 105 of the Clean Air Act (42 U.S.C.
5 7403(a)–(c), 7405) for testing and other agency activities to address emissions from wood
6 heaters.

7 (5) METHANE MONITORING.—In addition to amounts otherwise available, there is
8 appropriated to the Administrator of the Environmental Protection Agency for fiscal year
9 2022, out of any money in the Treasury not otherwise appropriated, \$20,000,000, to remain
10 available until September 30, 2031, for grants and other activities authorized under
11 subsections (a) through (c) of section 103 and section 105 of the Clean Air Act (42 U.S.C.
12 7403(a)–(c), 7405) for monitoring emissions of methane.

13 (6) CLEAN AIR ACT GRANTS.—In addition to amounts otherwise available, there is
14 appropriated to the Administrator of the Environmental Protection Agency for fiscal year
15 2022, out of any money in the Treasury not otherwise appropriated, \$25,000,000, to remain
16 available until September 30, 2031, for grants and other activities authorized under
17 subsections (a) through (c) of section 103 and section 105 of the Clean Air Act (42 U.S.C.
18 7403(a)–(c), 7405).

19 (7) OTHER ACTIVITIES.—In addition to amounts otherwise available, there is appropriated
20 to the Administrator of the Environmental Protection Agency for fiscal year 2022, out of
21 any money in the Treasury not otherwise appropriated, \$45,000,000, to remain available
22 until September 30, 2031, to carry out, with respect to greenhouse gases, sections 111, 115,
23 165, 177, 202, 211, 213, 231, and 612 of the Clean Air Act (42 U.S.C. 7411, 7415, 7475,
24 7507, 7521, 7545, 7547, 7571, and 7671k).

25 (8) GREENHOUSE GAS AND ZERO-EMISSION STANDARDS FOR MOBILE SOURCES.—In
26 addition to amounts otherwise available, there is appropriated to the Administrator of the
27 Environmental Protection Agency for fiscal year 2022, out of any money in the Treasury
28 not otherwise appropriated, \$5,000,000, to remain available until September 30, 2031, to
29 provide grants to States to adopt and implement greenhouse gas and zero-emission
30 standards for mobile sources pursuant to section 177 of the Clean Air Act (42 U.S.C. 7507).

31 (b) Administration of Funds.—Of the funds made available pursuant to paragraphs (1), (2), (5)
32 and (6) of subsection (a), the Administrator of the Environmental Protection Agency shall
33 reserve 5 percent for activities funded pursuant to such subsection other than grants.

34 SEC. 30107. FUNDING TO ADDRESS AIR POLLUTION AT 35 SCHOOLS.

36 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
37 Administrator of the Environmental Protection Agency for fiscal year 2022, out of any money in
38 the Treasury not otherwise appropriated, \$37,500,000, to remain available until September 30,
39 2031, for grants and other activities to monitor and reduce air pollution and greenhouse gas
40 emissions at schools in low-income and disadvantaged communities under subsections (a)
41 through (c) of section 103 of the Clean Air Act (42 U.S.C. 7403(a)–(c)) and section 105 of that
42 Act (42 U.S.C. 7405).

1 (b) Technical Assistance.—In addition to amounts otherwise available, there is appropriated to
2 the Administrator of the Environmental Protection Agency for fiscal year 2022, out of any
3 money in the Treasury not otherwise appropriated, \$12,500,000, to remain available until
4 September 30, 2031, for providing technical assistance to schools in low-income and
5 disadvantaged communities under subsections (a) through (c) of section 103 of the Clean Air Act
6 (42 U.S.C. 7403(a)–(c)) and section 105 of that Act (42 U.S.C. 7405)—

7 (1) to address environmental issues;

8 (2) to develop school environmental quality plans that include standards for school
9 building, design, construction, and renovation; and

10 (3) to identify and mitigate ongoing air pollution hazards.

11 SEC. 30108. LOW EMISSIONS ELECTRICITY PROGRAM.

12 The Clean Air Act is amended by inserting after section 134 of such Act, as added by section
13 30103 of this Act, the following:

14 “SEC. 135. LOW EMISSIONS ELECTRICITY PROGRAM.

15 “(a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
16 Administrator for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
17 to remain available until September 30, 2031—

18 “(1) \$17,000,000 for consumer-related education and partnerships with respect to
19 reductions in greenhouse gas emissions that result from domestic electricity generation and
20 use;

21 “(2) \$17,000,000 for education, technical assistance, and partnerships within low-income
22 and disadvantaged communities with respect to reductions in greenhouse gas emissions that
23 result from domestic electricity generation and use;

24 “(3) \$17,000,000 for industry-related outreach and technical assistance, including through
25 partnerships, with respect to reductions in greenhouse gas emissions that result from
26 domestic electricity generation and use;

27 “(4) \$17,000,000 for outreach and technical assistance to State and local governments,
28 including through partnerships, with respect to reductions in greenhouse gas emissions that
29 result from domestic electricity generation and use;

30 “(5) \$1,000,000 to assess, not later than 1 year after the date of enactment of this section,
31 the reductions in greenhouse gas emissions that result from changes in domestic electricity
32 generation and use that are anticipated to occur on an annual basis through fiscal year 2031;
33 and

34 “(6) \$18,000,000 to carry out this section to ensure that ~~the anticipated~~ reductions in
35 greenhouse gas emissions from domestic electricity generation and use ~~as assessed under~~
36 ~~paragraph (5)~~ are achieved through use of the authorities of this Act, including through the
37 establishment of requirements under this Act, **incorporating the assessment under**
38 **paragraph (5) as a baseline.**

39 “(b) Administration of Funds.—Of the amounts made available under subsection (a), the

1 Administrator shall reserve 2 percent for the administrative costs necessary to carry out activities
2 pursuant to that subsection.”.

3 SEC. 30109. FUNDING FOR SECTION 211(O) OF THE 4 CLEAN AIR ACT.

5 (a) Test and Protocol Development.—In addition to amounts otherwise available, there is
6 appropriated to the Administrator of the Environmental Protection Agency for fiscal year 2022,
7 out of any money in the Treasury not otherwise appropriated, \$5,000,000, to remain available
8 until September 30, 2031, to carry out section 211(o) of the Clean Air Act (42 U.S.C. 7545(o))
9 with respect to—

10 (1) the development and establishment of tests and protocols regarding the environmental
11 and public health effects of a fuel or fuel additive;

12 (2) internal and extramural data collection and analyses to regularly update applicable
13 regulations, guidance, and procedures for determining lifecycle greenhouse gas emissions of
14 a fuel; and

15 (3) the review, analysis and evaluation of the impacts of all transportation fuels, including
16 fuel lifecycle implications, on the general public and on low-income and disadvantaged
17 communities.

18 (b) Investments in Advanced Biofuels.—In addition to amounts otherwise available, there is
19 appropriated to the Administrator of the Environmental Protection Agency for fiscal year 2022,
20 out of any money in the Treasury not otherwise appropriated, \$10,000,000, to remain available
21 until September 30, 2031, for new grants to industry and other related activities under section
22 211(o) of the Clean Air Act (42 U.S.C. 7545(o)) to support investments in advanced biofuels.

23 SEC. 30110. FUNDING FOR IMPLEMENTATION OF THE 24 AMERICAN INNOVATION AND MANUFACTURING ACT.

25 (a) Appropriations.—

26 (1) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the
27 Administrator of the Environmental Protection Agency for fiscal year 2022, out of any
28 money in the Treasury not otherwise appropriated, \$20,000,000, to remain available until
29 September 30, 2026, to carry out subsections (a) through (i) and subsection (k) of section
30 103 of division S of Public Law 116–260 (42 U.S.C. 7675).

31 (2) IMPLEMENTATION AND COMPLIANCE TOOLS.—In addition to amounts otherwise
32 available, there is appropriated to the Administrator of the Environmental Protection
33 Agency for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
34 \$3,500,000, to remain available until September 30, 2026, to deploy new implementation
35 and compliance tools to carry out subsections (a) through (i) and subsection (k) of section
36 103 of division S of Public Law 116–260 (42 U.S.C. 7675).

37 (3) COMPETITIVE GRANTS.—In addition to amounts otherwise available, there is
38 appropriated to the Administrator of the Environmental Protection Agency for fiscal year
39 2022, out of any money in the Treasury not otherwise appropriated, \$15,000,000, to remain
40 available until September 30, 2026, for competitive grants for reclaim and innovative

1 destruction technologies under subsections (a) through (i) and subsection (k) of section 103
2 of division S of Public Law 116–260 (42 U.S.C. 7675).

3 (b) Administration of Funds.—Of the funds made available pursuant to subsection (a)(3), the
4 Administrator of the Environmental Protection Agency shall reserve 5 percent for administrative
5 costs necessary to carry out activities pursuant to such subsection.

6 SEC. 30111. FUNDING FOR ENFORCEMENT 7 TECHNOLOGY AND PUBLIC INFORMATION.

8 (a) Compliance Monitoring.—In addition to amounts otherwise available, there is appropriated
9 to the Administrator of the Environmental Protection Agency for fiscal year 2022, out of any
10 money in the Treasury not otherwise appropriated, \$37,000,000, to remain available until
11 September 30, 2031, to update the Integrated Compliance Information System of the
12 Environmental Protection Agency and any associated systems, necessary information technology
13 infrastructure, or public access software tools to ensure access to compliance data and related
14 information.

15 (b) Communications With ICIS.—In addition to amounts otherwise available, there is
16 appropriated to the Administrator of the Environmental Protection Agency for fiscal year 2022,
17 out of any money in the Treasury not otherwise appropriated, \$7,000,000, to remain available
18 until September 30, 2031, for grants to States, Indian tribes, and air pollution control agencies (as
19 such terms are defined in section 302 of the Clean Air Act (42 U.S.C. 7602)) to update their
20 systems to ensure communication with the Integrated Compliance Information System of the
21 Environmental Protection Agency and any associated systems.

22 (c) Inspection Software.—In addition to amounts otherwise available, there is appropriated to
23 the Administrator of the Environmental Protection Agency for fiscal year 2022, out of any
24 money in the Treasury not otherwise appropriated, \$6,000,000, to remain available until
25 September 30, 2031—

26 (1) to acquire or update inspection software for use by the Environmental Protection
27 Agency, States, Indian tribes, and air pollution control agencies (as such terms are defined
28 in section 302 of the Clean Air Act (42 U.S.C. 7602)); or

29 (2) to acquire necessary devices on which to run such inspection software.

30 SEC. 30112. GREENHOUSE GAS CORPORATE 31 REPORTING.

32 In addition to amounts otherwise available, there is appropriated to the Administrator of the
33 Environmental Protection Agency for fiscal year 2022, out of any money in the Treasury not
34 otherwise appropriated, \$5,000,000, to remain available until September 30, 2031, for the
35 Environmental Protection Agency to support—

36 (1) enhanced standardization and transparency of corporate climate action commitments
37 and plans to reduce greenhouse gas emissions;

38 (2) enhanced transparency regarding progress toward meeting such commitments and
39 implementing such plans; and

1 (3) progress toward meeting such commitments and implementing such plans.

2 SEC. 30113. ENVIRONMENTAL PRODUCT 3 DECLARATION ASSISTANCE.

4 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
5 Administrator of the Environmental Protection Agency for fiscal year 2022, out of any money in
6 the Treasury not otherwise appropriated, \$250,000,000, to remain available until September 30,
7 2031, to develop and carry out a program to support the development, and enhanced
8 standardization and transparency, of environmental product declarations for construction
9 materials and products, including by—

10 (1) providing grants to businesses that manufacture construction materials and products
11 for developing and verifying environmental product declarations, **and to States, Indian**
12 **Tribes, and nonprofit organizations that will support such businesses;**

13 (2) providing technical assistance to businesses that manufacture construction materials
14 and products in developing and verifying environmental product declarations, **and to**
15 **States, Indian Tribes, and nonprofit organizations that will support such businesses;**
16 and

17 (3) carrying out other activities that assist in measuring, **reporting**, and steadily reducing
18 the quantity of embodied carbon of construction materials and products.

19 (b) Administrative Costs.—Of the amounts made available under this section, the
20 Administrator of the Environmental Protection Agency shall reserve 5 percent for administrative
21 costs necessary to carry out this section.

22 (c) Definitions.—In this section:

23 (1) EMBODIED CARBON.—The term “embodied carbon” means the quantity of greenhouse
24 gas emissions associated with all relevant stages of production of a material or product,
25 measured in kilograms of carbon dioxide-equivalent per unit of such material or product.

26 (2) ENVIRONMENTAL PRODUCT DECLARATION.—The term “environmental product
27 declaration” means a document that reports the environmental impact of a material or
28 product that—

29 (A) includes measurement of the embodied carbon of the material or product;

30 (B) conforms with international standards, such as a Type III environmental product
31 declaration, as defined by the International Organization for Standardization standard
32 14025; and

33 (C) is developed in accordance with any standardized reporting criteria specified by
34 the Administrator of the Environmental Protection Agency.

35 (3) STATE.—The term “State” has the meaning given to that term in section 302(d)
36 of the Clean Air Act (42 U.S.C. 7602(d)).

37 SEC. 30114. METHANE EMISSIONS REDUCTION 38 PROGRAM.

1 The Clean Air Act is amended by inserting after section 135 of such Act, as added by section
2 30108 of this Act, the following:

3 “SEC. 136. METHANE EMISSIONS AND WASTE
4 REDUCTION INCENTIVE PROGRAM FOR PETROLEUM
5 AND NATURAL GAS SYSTEMS.

6 “(a) Incentives for Methane Mitigation and Monitoring.—In addition to amounts otherwise
7 available, there is appropriated **to the Administrator** for fiscal year 2022, out of any money in
8 the Treasury not otherwise appropriated, \$775,000,000, to remain available until September 30,
9 2028—

10 “(1) for grants, rebates, contracts, loans, and other activities of the Environmental
11 Protection Agency for the purposes of providing financial and technical assistance to
12 owners and operators of applicable facilities ~~preparing and submitting to prepare and~~
13 **submit** greenhouse gas reports under subpart W of part 98 of title 40, Code of Federal
14 Regulations (or **any** successor regulations);

15 “(2) for grants, rebates, contracts, loans, and other activities of the Environmental
16 Protection Agency authorized under subsections (a) through (c) of section 103 for methane
17 emissions monitoring;

18 “(3) for grants, rebates, contracts, loans, and other activities of the Environmental
19 Protection Agency for the purposes of providing financial and technical assistance to reduce
20 methane and other greenhouse gas emissions from petroleum and natural gas systems,
21 mitigate legacy air pollution from petroleum and natural gas systems, and provide support
22 for communities, including funding for—

23 “(A) improving climate resiliency of communities and petroleum and natural gas
24 systems;

25 “(B) improving and deploying industrial equipment and processes that reduce
26 methane and other greenhouse gas emissions and waste;

27 “(C) supporting innovation in reducing methane and other greenhouse gas emissions
28 and waste from petroleum and natural gas systems;

29 “(D) mitigating health effects of methane and other greenhouse gas emissions, and
30 legacy air pollution from petroleum and natural gas systems in low-income and
31 disadvantaged communities; and

32 “(E) supporting environmental restoration; and

33 “(4) to cover all direct and indirect costs required to administer this section, including the
34 costs of implementing the waste emissions charge **under subsection (b)**, preparing
35 inventories, gathering empirical data, and tracking emissions.

36 “(b) Waste Emissions Charge.—The Administrator shall impose and collect a charge on
37 methane emissions that exceed an applicable waste emissions threshold under subsection (e)
38 from an owner or operator of an applicable facility that is required to report methane emissions
39 pursuant to subpart W of part 98 of title 40, Code of Federal Regulations (or any successor
40 regulations).

1 “(c) Applicable Facility.—For purposes of this section, the term ‘applicable facility’ means a
2 facility within the following industry segments, as defined in subpart W of part 98 of title 40,
3 Code of Federal Regulations (or any successor regulations):

4 “(1) Offshore petroleum and natural gas production.

5 “(2) Onshore petroleum and natural gas production.

6 “(3) Onshore natural gas processing,

7 “(4) Onshore natural gas transmission compression.

8 “(5) Underground natural gas storage.

9 “(6) Liquefied natural gas storage.

10 “(7) Liquefied natural gas import and export equipment.

11 “(8) Onshore petroleum and natural gas gathering and boosting.

12 “(9) Onshore natural gas transmission pipeline.

13 “(d) Charge Amount.—The amount of a charge under subsection (b) for an applicable facility
14 shall be equal to the product obtained by multiplying—

15 “(1) the number of tons of methane ~~reported for the applicable facility emitted above the~~
16 ~~applicable annual waste emissions thresholds listed in (e);~~ **emissions reported** pursuant to
17 subpart W of part 98 of title 40, Code of Federal Regulations (or any successor regulations);
18 **for the applicable facility that exceed the applicable annual waste emissions threshold**
19 **listed in subsection (e)** during the previous reporting period; and

20 “(2)(A) \$900 for emissions reported for calendar year 2023;

21 “(B) \$1200 for emissions reported for calendar year 2024; or

22 “(C) \$1500 for emissions reported for calendar year 2025 and each year thereafter.

23 “(e) Waste Emissions Threshold.—

24 “(1) PETROLEUM AND NATURAL GAS PRODUCTION.—With respect to imposing and
25 collecting the charge under subsection (b) for an applicable facility in an industry segment
26 listed in paragraph (1) or (2) of subsection (c), the Administrator shall impose and collect
27 the charge on the reported tons of methane emissions that exceed—

28 “(A) 0.20 percent of the natural gas sent to sale from such facility; or

29 “(B) 10 metric tons of methane per million barrels of oil sent to sale from such
30 facility, if such facility sent no natural gas to sale.

31 “(2) NONPRODUCTION PETROLEUM AND NATURAL GAS SYSTEMS.—With respect to
32 imposing and collecting the charge under subsection (b) for an applicable facility in an
33 industry segment listed in paragraph (3), (6), (7), or (8) of subsection (c), the Administrator
34 shall impose and collect the charge on the reported tons of methane emissions that exceed
35 0.05 percent of the natural gas sent to sale from such facility.

36 “(3) NATURAL GAS TRANSMISSION.—With respect to imposing and collecting the charge
37 under subsection (b) for an applicable facility in an industry segment listed in paragraph (4),
38 (5), or (9) of subsection (c), the Administrator shall impose and collect the charge on the

1 reported tons of methane emissions that exceed 0.11 percent of the natural gas sent to sale
2 from such facility.

3 “(4) EXEMPTION.—Charges ~~under paragraph (4)~~ shall not be imposed ~~with respect to~~
4 ~~emissions pursuant to paragraph (1) on emissions that exceed the waste emissions~~
5 **threshold specified in such paragraph if such emissions are** caused by unreasonable
6 delay in environmental permitting of gathering infrastructure.

7 “(f) Period.—The charge under subsection (b) shall be imposed and collected beginning with
8 respect to emissions reported for calendar year 2023 and for each year thereafter.

9 “(g) Implementation.—In addition to other authorities in this Act addressing air pollution from
10 the oil and natural gas sectors, the Administrator may issue guidance or regulations as necessary
11 to carry out this section.

12 “(h) Reporting.—Not later than 2 years after the date of enactment of this section, and as
13 necessary thereafter, the Administrator shall revise the requirements of subpart W of part 98 of
14 title 40, Code of Federal Regulations—

15 “(1) to reduce the facility emissions threshold for reporting under such subpart and for
16 paying the charge imposed under this section to 10,000 metric tons of carbon dioxide
17 equivalent of greenhouse gases emitted per year; and

18 “(2) to ensure the reporting under such subpart, and calculation of charges under
19 subsections (d) and (e) of this section, are based on empirical data and accurately reflect the
20 total methane emissions and waste emissions from the applicable facilities.

21 “(i) Liability for Charge Payment.—A facility owner or operator’s liability for payment of the
22 charge under subsection (b) is not affected in any way by emission standards, permit fees,
23 penalties, or other requirements under this Act or any other legal authorities.”.

24 **SEC. 30115. FUNDING FOR THE OFFICE OF THE**
25 **INSPECTOR GENERAL OF THE ENVIRONMENTAL**
26 **PROTECTION AGENCY.**

27 In addition to amounts otherwise made available, there is appropriated to the Office of the
28 Inspector General of the Environmental Protection Agency for fiscal year 2022, out of any
29 money in the Treasury not otherwise appropriated, \$50,000,000, to remain available until
30 September 30, 2031, for oversight of activities supported with funds appropriated to the
31 Environmental Protection Agency in this Act.

32 **SEC. 30116. CLIMATE POLLUTION REDUCTION**
33 **GRANTS.**

34 The Clean Air Act is amended by inserting after section 136 of such Act, as added by section
35 30114 of this Act, the following:

36 **“SEC. 137. GREENHOUSE GAS AIR POLLUTION PLANS**
37 **AND IMPLEMENTATION GRANTS.**

1 “(a) Appropriations.—

2 “(1) GREENHOUSE GAS AIR POLLUTION PLANNING GRANTS.—In addition to amounts
3 otherwise available, there is appropriated to the Administrator for fiscal year 2022, out of
4 any amounts in the Treasury not otherwise appropriated, \$250,000,000, to remain available
5 until September 30, 2031, to carry out subsection (b).

6 “(2) GREENHOUSE GAS AIR POLLUTION IMPLEMENTATION GRANTS.—In addition to
7 amounts otherwise available, there is appropriated to the Administrator for fiscal year 2022,
8 out of any amounts in the Treasury not otherwise appropriated, \$4,750,000,000, to remain
9 available until September 30, ~~2031~~ **2026**, to carry out subsection (c).

10 “(3) ADMINISTRATIVE COSTS.—Of the funds made available under paragraph (2), the
11 Administrator shall reserve 3 percent for administrative costs necessary to carry out this
12 section, including providing technical assistance to eligible entities, developing a plan that
13 could be used as a model by grantees in developing a plan under subsection (b), and
14 modeling the effects of plans described in this section.

15 “(b) Greenhouse Gas Air Pollution Planning Grants.—The Administrator shall make a grant to
16 at least one eligible entity in each State for the costs of developing a plan for the reduction of
17 greenhouse gas air pollution to be submitted with an application for a grant under subsection (c).
18 Each such plan shall include programs, policies, measures, and projects that will achieve or
19 facilitate the reduction of greenhouse gas air pollution. Not later than 270 days after the date of
20 enactment of this section, the Administrator shall publish a funding opportunity announcement
21 for grants under this subsection.

22 “(c) Greenhouse Gas Air Pollution Reduction Implementation Grants.—

23 “(1) IN GENERAL.—The Administrator shall competitively award grants to eligible
24 entities to implement plans developed under subsection (b).

25 “(2) APPLICATION.—To apply for a grant under this subsection, an eligible entity shall
26 submit to the Administrator an application at such time, in such manner, and containing
27 such information as the Administrator shall require, which such application shall include
28 information regarding—

29 “(A) the degree to which greenhouse gas air pollution is projected to be reduced,
30 including with respect to low-income and disadvantaged communities; and

31 “(B) the quantifiability, specificity, additionality, permanence, and verifiability of
32 such projected greenhouse gas air pollution reduction.

33 “(3) TERMS AND CONDITIONS.—The Administrator shall make funds available to a
34 grantee under this subsection in such amounts, upon such a schedule, and subject to such
35 conditions based on its performance in implementing its plan submitted under this section
36 and in achieving projected greenhouse gas air pollution reduction, as determined by the
37 Administrator.

38 “(d) Eligible Entity Defined.—In this section, the term ‘eligible entity’ means—

39 “(1) a State;

40 “(2) an air pollution control agency;

1 “(3) a municipality;

2 “(4) an Indian tribe; and

3 “(5) a group of one or more entities listed in paragraphs (1) through (4).”.

4 SEC. 30117. ENVIRONMENTAL PROTECTION AGENCY 5 EFFICIENT, ACCURATE, AND TIMELY REVIEWS.

6 In addition to amounts otherwise available, there is appropriated to the Environmental
7 Protection Agency for fiscal year 2022, out of any money in the Treasury not otherwise
8 appropriated, \$20,000,000, to remain available until September 30, 2026, to provide for the
9 development of efficient, accurate, and timely reviews for permitting and approval processes
10 through the hiring and training of personnel, the development of programmatic documents, the
11 procurement of technical or scientific services for reviews, the development of environmental
12 data or information systems, stakeholder and community engagement, the purchase of new
13 equipment for environmental analysis, and the development of geographic information systems
14 and other analysis tools, techniques, and guidance to improve agency transparency,
15 accountability, and public engagement.

16 SEC. 30118. LOW-EMBODIED CARBON LABELING FOR 17 CONSTRUCTION MATERIALS FOR TRANSPORTATION 18 PROJECTS.

19 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
20 Administrator of the Environmental Protection Agency for fiscal year 2022, out of any money in
21 the Treasury not otherwise appropriated, \$100,000,000, to remain available until September 30,
22 2026, to develop and carry out a program, in consultation with the Administrator of the Federal
23 Highway Administration, to identify and label, based on environmental product declarations,
24 low-embodied carbon construction materials and products used for transportation projects, and
25 for necessary administrative costs of the Administrator of the Environmental Protection Agency
26 to carry out this section.

27 (b) Definitions.—In this section:

28 (1) EMBODIED CARBON.—The term “embodied carbon” means the quantity of greenhouse
29 gas emissions associated with all relevant stages of production of a material or product,
30 measured in kilograms of carbon dioxide-equivalent per unit of such material or product.

31 (2) ENVIRONMENTAL PRODUCT DECLARATION.—The term “environmental product
32 declaration” means a document that reports the environmental impact of a material or
33 product that—

34 (A) includes measurement of the embodied carbon of the material or product;

35 (B) conforms with international standards, such as a Type III environmental product
36 declaration as defined by the International Organization for Standardization standard
37 14025; and

38 (C) is developed in accordance with any standardized reporting criteria specified by
39 the Administrator of the Environmental Protection Agency.

1 (3) LOW-EMBODIED CARBON CONSTRUCTION MATERIALS AND PRODUCTS.—The term
2 “low-embodied carbon construction materials and products” means construction materials
3 and products identified by the Administrator of the Environmental Protection Agency as
4 having substantially lower levels of embodied carbon as compared to estimated industry
5 averages of similar materials or products.

6 Subtitle B—Hazardous Materials

7 SEC. 30201. GRANTS TO REDUCE WASTE IN 8 COMMUNITIES.

9 The Solid Waste Disposal Act is amended by inserting after section 7010 (42 U.S.C. 6979b)
10 the following:

11 “SEC. 7011. GRANTS TO REDUCE WASTE IN 12 COMMUNITIES.

13 “(a) Appropriations.—

14 “(1) ORGANICS RECYCLING AND FOOD WASTE.—In addition to amounts otherwise
15 available, there is appropriated to the Administrator for fiscal year 2022, out of any money
16 in the Treasury not otherwise appropriated, \$95,000,000, to remain available until ~~expended~~
17 **September 30, 2031**, to make grants, on a competitive basis, to eligible recipients for
18 projects in, or directly serving, low-income or disadvantaged communities to—

19 “(A) construct, expand, or modernize infrastructure for recycling and reuse of
20 organic material, including any facility, machinery, or equipment used to collect and
21 process organic material; or

22 “(B) measure, reduce, and prevent food waste.

23 “(2) OTHER WASTE REDUCTION ACTIVITIES.—In addition to amounts otherwise available,
24 there is appropriated to the Administrator for fiscal year 2022, out of any money in the
25 Treasury not otherwise appropriated, \$95,000,000, to remain available until ~~expended~~
26 **September 30, 2031**, to make grants, on a competitive basis, to eligible recipients for
27 projects in, or directly serving, low-income or disadvantaged communities to—

28 “(A) reduce the amount of waste generated from manufacturing processes or when
29 consumer products are disposed of, including by encouraging product or
30 manufacturing redesign or redevelopment that reduces packaging and waste
31 byproducts;

32 “(B) create market demand or manufacturing capacity for recovered, recyclable, or
33 recycled commodities and products, including compost; or

34 “(C) support the development and implementation of activities that reduce the
35 amount of waste disposed of in landfills or prevent the disposal of waste in landfills,
36 including—

37 “(i) expanding the availability of source-separated organic waste collection;

38 “(ii) encouraging diversion of organic waste from landfills; or

1 “(iii) increasing fees imposed on the disposal of waste, including organic waste,
2 at landfills.

3 “(b) Administration of Funds.—Of the amounts made available under subsection (a), the
4 Administrator shall reserve 5 percent for the administrative costs necessary to carry out activities
5 pursuant to that subsection.

6 “(c) Definition of Eligible Recipient.—In this section, the term ‘eligible recipient’ means—

7 “(1) a single unit of State, local, or Tribal government; or

8 “(2) a nonprofit organization.”.

9 **SEC. 30202. ENVIRONMENTAL AND CLIMATE JUSTICE** 10 **BLOCK GRANTS.**

11 The Clean Air Act is amended by inserting after section ~~136~~ **137**, as added by subtitle A of
12 this title, the following:

13 **“SEC. ~~137~~ 138. ENVIRONMENTAL AND CLIMATE** 14 **JUSTICE BLOCK GRANTS.**

15 “(a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
16 Administrator for fiscal year 2022, out of any money in the Treasury not otherwise
17 appropriated—

18 “(1) \$2,800,000,000 to remain available until ~~expended~~ **September 30, 2026**, to award
19 grants for the activities described in subsection (b); and

20 “(2) \$200,000,000 to remain available until ~~expended~~ **September 30, 2026**, to provide
21 technical assistance to eligible entities related to grants awarded under this section.

22 “(b) Grants.—

23 “(1) IN GENERAL.—The Administrator shall use amounts made available under subsection
24 (a)(1) to award grants for periods of up to 3 years to eligible entities to carry out activities
25 described in paragraph (2) that benefit disadvantaged communities, as defined by the
26 Administrator.

27 “(2) ELIGIBLE ACTIVITIES.—An eligible entity may use a grant awarded under this
28 subsection for—

29 “(A) community-led air and other pollution monitoring, prevention, and
30 remediation, and investments in low- and zero-emission and resilient technologies and
31 related infrastructure and workforce development that help reduce greenhouse gas
32 emissions and other air pollutants;

33 “(B) mitigating climate and health risks from urban heat islands, extreme heat, wood
34 heater emissions, and wildfire events;

35 “(C) climate resiliency and adaptation;

36 “(D) reducing indoor toxics and indoor air pollution; or

37 “(E) facilitating engagement of disadvantaged communities in State and Federal

1 public processes, including facilitating such engagement in advisory groups,
2 workshops, and rulemakings.

3 “(3) ELIGIBLE ENTITIES.—In this subsection, the term ‘eligible entity’ means—

4 “(A) a partnership between—

5 “(i) an Indian ~~Tribe~~ **tribe**, a local government, or an institution of higher
6 education; and

7 “(ii) a community-based nonprofit organization;

8 “(B) a community-based nonprofit organization; or

9 “(C) a partnership of community-based nonprofit organizations.

10 “(c) Administrative Costs.—The Administrator shall reserve 7 percent of the amounts made
11 available under subsection (a) for administrative costs to carry out this section.”.

12 SEC. 30203. FUNDING FOR DATA COLLECTION ON 13 NATIONAL RECYCLING EFFORTS.

14 In addition to amounts otherwise available, there is appropriated to the Administrator of the
15 Environmental Protection Agency for fiscal year 2022, out of any money in the Treasury not
16 otherwise appropriated, \$10,000,000, to remain available until ~~expended~~ **September 30, 2031**, to
17 support data collection activities with respect to recycling efforts throughout the nation, with a
18 particular focus on recycling efforts in disadvantaged, low-income, and rural communities that
19 lack access to recycling services.

20 Subtitle C—Drinking Water

21 SEC. 30301. LEAD REMEDIATION PROJECTS.

22 (a) In General.—In addition to amounts otherwise available, there is appropriated for fiscal
23 year 2022, out of any money in the Treasury not otherwise appropriated, \$9,000,000,000, to
24 remain available until September 30, 2026, for—

25 (1) grants under the lead reduction grant program under section 1459B(b) of the Safe
26 Drinking Water Act (42 U.S.C. 300j–19b(b)) to entities eligible for grants under that
27 program that serve communities determined to be disadvantaged communities pursuant to
28 paragraph (3)(A) of such subsection, for full service line replacement within those
29 disadvantaged communities;

30 (2) grants for the installation and maintenance of lead filtration stations at schools and
31 child care programs (as defined in section 1464(d)(1) of that Act (42 U.S.C. 300j–24(d)(1))
32 that serve disadvantaged communities; and

33 (3) grants under subsection (d) of section 1464 of that Act (42 U.S.C. 300j–24)—

34 (A) to pay the costs of replacement of drinking water fountains in schools and child
35 care programs that serve disadvantaged communities;

36 (B) for lead remediation projects in buildings operated by entities eligible for grants
37 under that subsection that serve disadvantaged communities; and

1 (C) for compliance monitoring in disadvantaged communities.

2 (b) Cost-share Waiver.—An entity receiving assistance pursuant to this section shall not be
3 required to provide a share of the costs of carrying out the project or activity funded by that
4 assistance.

5 (c) Administrative Costs.—Of the amounts made available under subsection (a), the
6 Administrator of the Environmental Protection Agency shall reserve 7 percent for the
7 administrative costs of carrying out this section.

8 SEC. 30302. FUNDING FOR WATER ASSISTANCE 9 PROGRAM.

10 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated for fiscal
11 year 2022, out of any money in the Treasury not otherwise appropriated, \$225,000,000, to
12 remain available until expended, to provide grants to States, Indian Tribes, and Tribal
13 organizations to assist low-income households that pay a high proportion of household income
14 for drinking water and wastewater (including stormwater) services, particularly households with
15 an annual income that is less than or equal to 150 percent of the Federal poverty line, by
16 providing amounts to community water systems (as defined in section 1401 of the Safe Drinking
17 Water Act (42 U.S.C. 300f)) or publicly owned treatment works (as defined in section 212 of the
18 Federal Water Pollution Control Act (33 U.S.C. 1292)) to reduce the arrearages of and rates
19 charged to those households for those services by up to 100 percent.

20 (b) Requirement.—Of the amounts made available under subsection (a), the Administrator of
21 the Environmental Protection Agency shall reserve not more than 3 percent to provide the
22 assistance described in that subsection to Indian Tribes and Tribal organizations.

23 (c) Cost-share Waiver.—An entity receiving assistance pursuant to this section shall not be
24 required to provide a share of the costs of carrying out the activity funded by that assistance.

25 (d) Administrative Costs.—Of the amounts made available under subsection (a), the
26 Administrator of the Environmental Protection Agency shall reserve 7 percent for the
27 administrative costs of carrying out this section.

28 (e) Definition of State.—In this section, the term “State” means—

- 29 (1) each of the 50 States;
- 30 (2) the District of Columbia;
- 31 (3) the Commonwealth of Puerto Rico;
- 32 (4) American Samoa;
- 33 (5) Guam;
- 34 (6) the United States Virgin Islands; and
- 35 (7) the Commonwealth of the Northern Mariana Islands.

36 Subtitle D—Energy

37 PART 1—RESIDENTIAL EFFICIENCY AND

1 ELECTRIFICATION REBATES

2 SEC. 30411. HOME ENERGY PERFORMANCE-BASED, 3 WHOLE-HOUSE REBATES AND TRAINING GRANTS.

4 (a) Home On-line Performance-based Energy Efficiency (HOPE) Contractor Training
5 Grants.—

6 (1) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to
7 the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise
8 appropriated, \$360,000,000, to remain available until September 30, 2030, to award grants
9 to States to develop and implement a State program described in section 362(d)(13) of the
10 Energy Policy and Conservation Act (42 U.S.C. 6322(d)(13)), which shall partner with
11 nonprofit organizations to fund qualifying programs described in paragraph (2) that provide
12 training courses and opportunities to support home energy efficiency upgrade construction
13 services to train workers, both on-line and in-person, to support and provide for the home
14 energy efficiency retrofits under subsection (b), and for administrative expenses associated
15 with carrying out this subsection.

16 (2) QUALIFYING PROGRAMS.—For the purposes of this paragraph, qualifying programs
17 are programs that—

18 (A) provide the equivalent of at least 30 hours in total course time;

19 (B) are provided by a provider that is accredited by the Interstate Renewable Energy
20 Council or has other accreditation determined to be equivalent by the Secretary;

21 (C) are, with respect to a particular job, aligned with the relevant National
22 Renewable Energy Laboratory Job Task Analysis, or other credentialing program
23 foundation that helps identify the necessary core knowledge areas, critical work
24 functions, or skills, as approved by the Secretary;

25 (D) have established learning objectives;

26 (E) include, as the Secretary determines appropriate, an appropriate assessment of
27 such learning objectives that may include a final exam, to be proctored on-site or
28 through remote proctoring, or an in-person field exam; and

29 (F) include training related to—

30 (i) contractor certification;

31 (ii) energy auditing or assessment;

32 (iii) home energy systems (including Energy Star-qualified HVAC systems and
33 Wi-Fi-enabled home energy communications technology, or any future
34 technology that achieves the same goals);

35 (iv) insulation installation and air leakage control;

36 (v) health and safety regarding the installation of energy efficiency measures or
37 health and safety impacts associated with energy efficiency retrofits;

38 (vi) indoor air quality;

1 (vii) energy efficiency retrofits in manufactured housing; and

2 (viii) residential electrification training and conversion training.

3 (3) STATE ENERGY PROGRAM PROVIDERS.—A State energy office may use not more than
4 10 percent of the amounts made available to the State energy office under this subsection to
5 administer a qualifying program described in paragraph (2), including for the conduct of
6 design and operations activities.

7 (4) TERMS AND CONDITIONS.—

8 (A) ELIGIBLE USE OF FUNDS.—Of the amounts made available to a State under this
9 subsection, 85 percent shall be used by the State—

10 (i) to support the operations of qualifying programs, including establishing,
11 modifying, or maintaining the online systems, staff time, and software and online
12 program management, through a course that meets the applicable criteria;

13 (ii) to reimburse the contractor company for training costs for employees;

14 (iii) to provide any home technology support needed for an employee to receive
15 training pursuant to this subsection; and

16 (iv) to support wages of employees during training.

17 (B) TIMING OF OBLIGATIONS.—Amounts made available under this subsection shall
18 be used, as necessary, to cover or reimburse allowable costs incurred after the date of
19 enactment of this Act.

20 (C) UNOBLIGATED AMOUNTS.—Amounts made available under this subsection
21 which are not accepted, are voluntarily returned, or otherwise recaptured for any
22 reason shall be used to fund grants under subsection (b).

23 (b) Home Owner Managing Energy Savings (HOMES) Rebates.—

24 (1) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to
25 the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise
26 appropriated, \$5,890,000,000, to remain available until September 30, 2030, to award
27 grants, in accordance with the formula for the State Energy Program under part D of title III
28 of the Energy Policy and Conservation Act in effect on January 1, 2021, to State energy
29 offices to establish Home Owner Managing Energy Savings (HOMES) Rebate Programs
30 pursuant to section 362(d)(5) of such Act (42 U.S.C. 6322(d)(5)), and for administrative
31 expenses associated with carrying out this subsection.

32 (2) COORDINATION.—In carrying out this subsection, the Secretary shall coordinate with
33 State energy offices to ensure that programs that receive awards are formulated to achieve
34 maximum greenhouse gas emissions reductions and household energy and costs savings.

35 (3) APPLICATION.—In order to receive a grant under this subsection, a State shall submit
36 to the Secretary an application that includes a plan to implement a qualifying State program
37 that includes—

38 (A) a plan to ensure that each home energy efficiency retrofit under the program—

39 (i) is completed by a contractor who meets minimum training requirements,
40 certification requirements, and other requirements established by the Secretary;

1 and
2 (ii) includes installation of 1 or more home energy efficiency retrofit measures
3 that are modeled to achieve, or are shown to achieve, the minimum reduction
4 required in home energy use, or with respect to a portfolio of home energy
5 efficiency retrofits, in aggregated home energy use for such portfolio;

6 (B) a plan—

7 (i) to utilize, for purposes of modeled performance home rebates, modeling
8 software, methods, and procedures for determining and documenting the
9 reductions in home energy use resulting from the implementation of a home
10 energy efficiency retrofit that is calibrated to historical energy usage for a home
11 consistent with BPI 2400, that are approved by the Secretary, that can provide
12 evidence for necessary improvements to a State program, and that can help to
13 calibrate models for accuracy;

14 (ii) to utilize, for purposes of measured performance home rebates, open-source
15 advanced measurement and verification software approved by the Secretary for
16 determining and documenting the monthly and hourly (if available)
17 weather-normalized baseline energy use of a home, the reductions in monthly and
18 hourly (if available) weather-normalized energy use of a home resulting from the
19 implementation of a home energy efficiency retrofit, and open-source advanced
20 measurement and verification software approved by the Secretary; and

21 (iii) to value savings based on time, location, or greenhouse gas emissions;

22 (C) procedures for a homeowner to transfer the right to claim a rebate to the
23 contractor performing the applicable home energy efficiency retrofit or to an
24 aggregator, if the State program will utilize aggregators;

25 (D) if the State program will utilize aggregators to facilitate delivery of rebates to
26 homeowners or contractors, requirements for an entity to be eligible to serve as an
27 aggregator;

28 (E) quality monitoring to ensure that each installation that receives a rebate is
29 documented in a certificate, provided by the contractor to the homeowner, that details
30 the work, including information about the characteristics of equipment and materials
31 installed, as well as projected energy savings or energy generation, in a way that will
32 enable the homeowner to clearly communicate the value of the high-performing
33 features funded by the rebate to buyers, real estate agents, appraisers and lenders; and

34 (F) a procedure for providing the contractor performing a home energy efficiency
35 retrofit or an aggregator who has the right to claim such rebate with \$200 for each
36 home located in an underserved community that receives a home efficiency retrofit for
37 which a rebate is provided under the program.

38 (4) AMOUNT OF REBATES FOR SINGLE FAMILY AND MULTIFAMILY HOMES.—Of the amounts
39 provided to a State energy office under this subsection, 85 percent shall be used to provide
40 Home Owner Managing Energy Savings (HOMES) Rebates to—

41 (A) individuals and aggregators for the energy efficiency upgrades of single-family
42 homes of not more than 4 units—

1 (i) \$2,000 for a retrofit that achieves at least 20 percent modeled energy system
2 savings or 50 percent of the project cost, whichever is lower;

3 (ii) \$4,000 for a retrofit that achieves at least 35 percent modeled energy system
4 savings or 50 percent of the project cost, whichever is lower; or

5 (iii) for measured energy savings, a payment per kilowatt hour saved, or
6 kilowatt hour-equivalent saved, equal to \$2,000 for a 20 percent reduction of
7 energy use for the average home in the State, for homes or portfolios of homes
8 that achieve at least 15 percent energy savings, or 50 percent of the project cost,
9 whichever is lower;

10 (B) multifamily building owners and aggregators for the energy efficiency upgrades
11 of multifamily buildings—

12 (i) \$2,000 per dwelling unit for a retrofit that achieves at least 20 percent
13 modeled energy system savings up a maximum of \$200,000 per multifamily
14 building;

15 (ii) \$4,000 per dwelling unit for a retrofit that achieves at least 35 percent
16 modeled energy system savings up to a maximum of \$400,000 per multifamily
17 building; or

18 (iii) for measured energy savings, a payment rate per kilowatt hours saved, or
19 kilowatt hour-equivalent saves, equal to \$2,000 for a 20 percent reduction of
20 energy use for the average multifamily building in the State, for multifamily
21 buildings or portfolios of buildings that achieve at least 15 percent energy
22 savings, or 50 percent of the project cost, whichever is lower; or

23 (C) individuals and aggregators for the energy efficiency upgrades of single family
24 homes of 4 units or less or multifamily buildings that are occupied by residents with an
25 annual income of less than 80 percent of the area median income as published publicly
26 by the Department of Housing and Urban Development—

27 (i) \$4,000 for a retrofit that achieves at least 20 percent modeled energy system
28 savings or 80 percent of the project cost, whichever is lower;

29 (ii) \$8,000 for a retrofit that achieves at least 35 percent modeled energy system
30 savings or 80 percent of the project cost, whichever is lower; or

31 (iii) for measured energy savings, a payment rate per kilowatt hour saved, or
32 kilowatt hour-equivalent saved, equal to \$4,000 for a 20 percent reduction of
33 energy use for the average multifamily building in the State, for multifamily
34 buildings or portfolios of buildings that achieve at least 15 percent energy
35 savings, or 80 percent of the project cost, whichever is lower.

36 (5) REQUIREMENT.—Not less than 25 percent of the funds provided to a State energy
37 office under this subsection shall be used for the purposes of each of subparagraphs (A),
38 (B), and (C) of paragraph (4).

39 (6) ELIGIBILITY OF CERTAIN APPLIANCES.—In calculating total energy savings for single
40 family or multifamily homes under this subsection, a program may include savings from the
41 purchase of high-efficiency natural gas HVAC systems and water heaters certified under the

1 Energy Star program until the date that is 6 years after the date of enactment of this Act.

2 (7) PLANNING.—Not to exceed 20 percent of any grant made with funds made available
3 under this subsection shall be expended for planning and management development and
4 administration.

5 (8) TECHNICAL ASSISTANCE.—Amounts made available under this subsection shall be
6 used for single family, multifamily, and manufactured housing rebates and the Secretary
7 shall, in consultation with States, contractors, and other local technical experts design
8 support, methodology, and contractor criteria as appropriate for the different building stock.

9 (9) USE OF FUNDS.—Rebate amounts made available through the High-Efficiency Electric
10 Home Rebate Program established under subsection (b)(1) of section 124 of the Energy
11 Policy Act of 2005 (as amended by this subtitle) may be used in conjunction with the funds
12 made available under this subsection.

13 (c) Definitions.—In this section:

14 (1) AGGREGATOR.—The term “aggregator” means a gas utility, electric utility,
15 commercial entity, nonprofit entity, or State or local government entity that may receive
16 rebates provided under a State program under this section for 1 or more portfolios
17 consisting of 1 or more energy efficiency retrofits.

18 (2) CONTRACTOR CERTIFICATION.—The term “contractor certification” means—

19 (A) an industry recognized certification that may be obtained by a residential
20 contractor to advance the expertise and education of the contractor in energy efficiency
21 retrofits of residential buildings; and

22 (B) any other certification the Secretary determines appropriate for purposes of the
23 HOMES Rebate Program established under subsection (b).

24 (3) CONTRACTOR COMPANY.—The term “contractor company” means a company—

25 (A) the business of which is to provide services to residential building owners with
26 respect to HVAC systems, insulation, air sealing, or other services that are approved by
27 the Secretary;

28 (B) that holds the licenses and insurance required by the State in which the company
29 provides services; and

30 (C) that provides services for which a rebate may be provided pursuant to the
31 HOMES Rebate Program established under subsection (b).

32 (4) ENERGY STAR PROGRAM.—The term “Energy Star program” means the program
33 established by section 324A of the Energy Policy and Conservation Act (42 U.S.C. 6294a).

34 (5) HOME.—The term “home” means a building with not more than 4 dwelling units or a
35 manufactured housing unit (including a unit built before June 15, 1976), that—

36 (A) is located in the United States;

37 (B) was constructed before the date of enactment of this Act;

38 (C) is occupied at least 6 months out of the year; and

39 (D) is not on a military base.

1 (6) HVAC SYSTEM.—The term “HVAC system” means a system—

2 (A) is certified under the Energy Star program;

3 (B) consisting of a heating component, a ventilation component, and an
4 air-conditioning component; and

5 (C) the components of which may include central air conditioning, a heat pump, a
6 furnace, a boiler, a rooftop unit, and a window unit.

7 (7) MULTIFAMILY BUILDING.—The term “multifamily building” means a building—

8 (A) with 5 or more dwelling units; and

9 (B) that is not on a military base.

10 (8) SECRETARY.—The term “Secretary” means the Secretary of Energy.

11 (9) STATE ENERGY OFFICE.—The term “State energy office” has the meaning given the
12 term “State energy agency” in section 391(10) of the Energy Policy and Conservation Act
13 (42 U.S.C. 6371(10)).

14 (10) UNDERSERVED COMMUNITY.—The term “underserved community” means—

15 (A) a community located in a ZIP Code that includes 1 or more census tracts that are
16 identified as—

17 (i) a low-income community; or

18 (ii) a community of racial or ethnic minority concentration; or

19 (B) any other community that the Secretary determines is disproportionately
20 vulnerable to, or bears a disproportionate burden of, any combination of economic,
21 social, and environmental stressors.

22 SEC. 30412. HIGH-EFFICIENCY ELECTRIC HOME 23 REBATE PROGRAM.

24 (a) In General.—Section 124 of the Energy Policy Act of 2005 (42 U.S.C. 15821) is amended
25 to read as follows:

26 “SEC. 124. HIGH-EFFICIENCY ELECTRIC HOME REBATE 27 PROGRAM.

28 “(a) Appropriations.—

29 “(1) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to
30 the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise
31 appropriated—

32 “(A) \$2,226,000,000, to remain available until September 30, 2031, to provide
33 rebates under this section;

34 “(B) \$4,000,000, to remain available until September 30, 2031, for community and
35 consumer education and outreach related to carrying out this section; and

1 “(C) \$220,000,000, to remain available until September 30, 2031, to administer this
2 section and to provide administrative and technical support to certified contractor
3 companies, qualified providers, States, and Indian Tribes.

4 “(2) ADDITIONAL FUNDING FOR TRIBAL COMMUNITIES AND LOW- OR MODERATE-INCOME
5 HOUSEHOLDS.—In addition to amounts otherwise available, there is appropriated to the
6 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
7 \$3,800,000,000, to remain available until September 30, 2031, for—

8 “(A) rebates under this section relating to qualified electrification projects carried
9 out in Tribal communities or for low- or moderate-income households; and

10 “(B) any necessary administrative or technical support for those qualified
11 electrification projects.

12 “(b) High-efficiency Electric Home Rebates for Qualified Electrification Projects.—

13 “(1) HIGH-EFFICIENCY ELECTRIC HOME REBATES.—The Secretary shall establish a
14 program within the Department, to be known as the ‘High-Efficiency Electric Home Rebate
15 Program’, under which the Secretary shall provide to homeowners and owners of
16 multifamily buildings high-efficiency electric home rebates, in accordance with this
17 subsection, for qualified electrification projects carried out at, or relating to, the homes or
18 multifamily buildings, as applicable.

19 “(2) AMOUNT OF REBATE.—

20 “(A) IN GENERAL.—Subject to subsection (c)(1)(A), a high-efficiency electric home
21 rebate under paragraph (1) shall be equal to—

22 “(i) in the case of a qualified electrification project described in subsection
23 (d)(11)(A)(i)(II) that installs a heat pump used for water heating, not more than
24 \$1,250;

25 “(ii) in the case of a qualified electrification project described in subsection
26 (d)(11)(A)(i)(II) that installs a heat pump HVAC system—

27 “(I)(aa) not more than \$3,000 if the heat pump HVAC system has a
28 heating capacity of not less than 27,500 Btu per hour; or

29 “(bb) not more than \$4,000 if the heat pump HVAC system meets Energy
30 Star program cold climate criteria and is installed in a cold climate, as
31 determined by the Secretary;

32 “(II)(aa) not more than \$1,500 if the heat pump HVAC system has a
33 heating capacity of less than 27,500 Btu per hour; or

34 “(bb) not more than \$2,000 if the heat pump HVAC system meets Energy
35 Star program cold climate criteria and is installed in a cold climate, as
36 determined by the Secretary; and

37 “(III) \$250, in addition to the amount described in subclause (I) or (II), if a
38 qualified electrification project described in subsection (d)(11)(A)(i)(V) that
39 installs insulation, air sealing, and ventilation in accordance with clause (v)
40 is completed within 6 months before or after the qualified electrification

- 1 project described in that subclause;
- 2 “(iii) in the case of a qualified electrification project described in subclause (III)
3 or (IV) of subsection (d)(11)(A)(i), not more than \$600;
- 4 “(iv) in the case of a qualified electrification project described in subsection
5 (d)(11)(A)(i)(I) that installs an electric load or service center panel that enables
6 the installation and use of any upgrade, appliance, system, equipment,
7 infrastructure, component, or other item installed pursuant to any other qualified
8 electrification project, not more than \$3,000;
- 9 “(v) in the case of a qualified electrification project described in subsection
10 (d)(11)(A)(i)(V) that installs insulation and air sealing, not more than \$800; and
- 11 “(vi) in the case of any other qualified electrification project, including a
12 qualified electrification project described in any of subclauses (I) through (III) of
13 subsection (d)(11)(A)(ii), for which the Secretary provides a high-efficiency
14 electric home rebate, not more than an amount determined by the Secretary for
15 that qualified electrification project, subject to subparagraph (B).
- 16 “(B) LIMITATIONS ON AMOUNT OF REBATE.—
- 17 “(i) MAXIMUM TOTAL AMOUNT.—Subject to subsection (c)(1)(B), the
18 maximum total amount that may be awarded as high-efficiency electric home
19 rebates under this subsection shall be \$10,000 with respect to each home for
20 which a high-efficiency electric home rebate is provided.
- 21 “(ii) COSTS.—
- 22 “(I) IN GENERAL.—Subject to subsection (c)(1)(C), the amount of a
23 high-efficiency electric home rebate provided to a homeowner under this
24 subsection shall not exceed 50 percent of the total cost of the applicable
25 qualified electrification project.
- 26 “(II) LABOR COSTS.—Subject to subsection (c)(1)(C), not more than 50
27 percent of the labor costs associated with a qualified electrification project
28 may be included in the 50 percent of total costs for which a high-efficiency
29 electric home rebate is provided under this subsection, as described in
30 subclause (I), subject to the condition that labor costs account for not more
31 than 50 percent of the amount of the high-efficiency electric home rebate.
- 32 “(3) LIMITATIONS ON QEPS.—
- 33 “(A) CONTRACTORS.—A high-efficiency electric home rebate may be provided for a
34 qualified electrification project carried out by a contractor company only if that
35 contractor company is a certified contractor company.
- 36 “(B) HEAT PUMP HVAC SYSTEMS.—A high-efficiency electric home rebate may be
37 provided for a qualified electrification project that installs or enables the installation of
38 a heat pump HVAC system only if the heat pump HVAC system—
- 39 “(i) replaces—
- 40 “(I) a nonelectric HVAC system;

- 1 “(II) an electric resistance HVAC system; or
2 “(III) an air conditioning unit that—
3 “(aa) does not have a reversing valve; and
4 “(bb) has a lower seasonal energy-efficiency ratio than the heat pump
5 HVAC system; or
6 “(ii) is part of new construction, as determined by the Secretary.
- 7 “(C) HEAT PUMPS FOR WATER HEATING.—A high-efficiency electric home rebate
8 may be provided for a qualified electrification project that installs or enables the
9 installation of a heat pump used for water heating only if the heat pump—
10 “(i) replaces—
11 “(I) a nonelectric heat pump water heater;
12 “(II) a nonelectric water heater; or
13 “(III) an electric resistance water heater; or
14 “(ii) is part of new construction, as determined by the Secretary.
- 15 “(D) ELECTRIC STOVES, COOKTOPS, RANGES, AND OVENS.—A high-efficiency electric
16 home rebate may be provided for a qualified electrification project described in
17 subsection (d)(11)(A)(i)(III) only if the applicable electric stove, cooktop, range, or
18 oven—
19 “(i) replaces a nonelectric stove, cooktop, range, or oven; or
20 “(ii) is part of new construction, as determined by the Secretary.
- 21 “(E) ELECTRIC HEAT PUMP CLOTHES DRYERS.—A high-efficiency electric home
22 rebate may be provided for a qualified electrification project described in subsection
23 (d)(11)(A)(i)(IV) only if the applicable electric heat pump clothes dryer—
24 “(i) replaces a nonelectric clothes dryer; or
25 “(ii) is part of new construction.
- 26 “(4) ADDITIONAL INCENTIVES FOR CONTRACTORS AND QUALIFIED PROVIDERS.—
27 “(A) GENERAL INCENTIVE.—
28 “(i) IN GENERAL.—With respect to each qualified electrification project
29 described in clause (ii), the Secretary shall provide a payment of \$100 to the
30 certified contractor company or qualified provider carrying out the qualified
31 electrification project.
32 “(ii) QUALIFIED ELECTRIFICATION PROJECT DESCRIBED.—A qualified
33 electrification project referred to in clause (i) is a qualified electrification
34 project—
35 “(I) that is carried out at a home or multifamily building;
36 “(II) for which a rebate is provided under this subsection; and

1 “(III) with respect to which the certified contractor company or qualified
2 provider is not eligible for a higher payment under any of subparagraphs (B)
3 through (D).

4 “(B) INCENTIVE FOR QEPS IN CERTAIN COMMUNITIES AND HOUSEHOLDS.—

5 “(i) IN GENERAL.—With respect to each qualified electrification project
6 described in clause (ii), the Secretary shall provide a payment of \$200 to the
7 certified contractor company or qualified provider carrying out the qualified
8 electrification project.

9 “(ii) QUALIFIED ELECTRIFICATION PROJECT DESCRIBED.—A qualified
10 electrification project referred to in clause (i) is a qualified electrification
11 project—

12 “(I) that is carried out at a home or multifamily building that—

13 “(aa) is located in an underserved community or a Tribal community;
14 or

15 “(bb) is certified, or the household of the homeowner of which is
16 certified, as applicable, as low- or moderate-income;

17 “(II) for which a rebate is provided under this subsection; and

18 “(III) with respect to which the certified contractor company or qualified
19 provider is not eligible for a higher payment under subparagraph (C) or (D).

20 “(C) INCENTIVE FOR CERTAIN LABOR PRACTICES.—

21 “(i) IN GENERAL.—With respect to each qualified electrification project
22 described in clause (ii), the Secretary shall provide a payment of \$250 to the
23 certified contractor company or qualified provider carrying out the qualified
24 electrification project.

25 “(ii) QUALIFIED ELECTRIFICATION PROJECT DESCRIBED.—A qualified
26 electrification project referred to in clause (i) is a qualified electrification
27 project—

28 “(I) that is carried out—

29 “(aa) at a home or multifamily building; and

30 “(bb) by a certified contractor company or qualified provider that
31 allows for the use of collective bargaining agreements;

32 “(II) for which a rebate is provided under this subsection; and

33 “(III) with respect to which—

34 “(aa) all laborers and mechanics employed on the qualified
35 electrification project are paid wages at rates not less than those
36 prevailing on projects of a character similar in the locality; and

37 “(bb) the certified contractor company or qualified provider is not
38 eligible for a higher payment under subparagraph (D).

1 “(D) MAXIMUM INCENTIVE.—

2 “(i) IN GENERAL.—With respect to each qualified electrification project
3 described in clause (ii), the Secretary shall provide a payment of \$500 to the
4 certified contractor company or qualified provider carrying out the qualified
5 electrification project.

6 “(ii) QUALIFIED ELECTRIFICATION PROJECT DESCRIBED.—A qualified
7 electrification project referred to in clause (i) is a qualified electrification
8 project—

9 “(I) that is carried out—

10 “(aa) at a home or multifamily building that—

11 “(AA) is located in an underserved community or a Tribal
12 community; or

13 “(BB) is certified, or the household of the homeowner of which is
14 certified, as applicable, as low- or moderate-income; and

15 “(bb) by a certified contractor company or qualified provider that
16 allows for the use of collective bargaining agreements;

17 “(II) for which a rebate is provided under this subsection; and

18 “(III) with respect to which all laborers and mechanics employed on the
19 qualified electrification project are paid wages at rates not less than those
20 prevailing on projects of a character similar in the locality.

21 “(E) CLARIFICATION.—An amount provided to a certified contractor company or
22 qualified provider under any of subparagraphs (A) through (D) shall be in addition to
23 the amount of any high-efficiency electric home rebate received by the certified
24 contractor company or qualified provider.

25 “(5) CLAIM.—

26 “(A) IN GENERAL.—Subject to paragraph (2)(B), a homeowner, a certified contractor
27 company, or a qualified provider may claim a separate high-efficiency electric home
28 rebate under this subsection for each qualified electrification project carried out at a
29 home.

30 “(B) TRANSFER.—The Secretary shall establish and publish procedures pursuant to
31 which a homeowner or owner of a multifamily building may transfer the right to claim
32 a rebate under this subsection to the certified contractor company or qualified provider
33 carrying out the applicable qualified electrification project.

34 “(6) MULTIFAMILY BUILDINGS.—

35 “(A) IN GENERAL.—Subject to subparagraph (B), the owner of a multifamily
36 building may combine the amounts of high-efficiency electric home rebates for each
37 dwelling unit in the multifamily building into a single rebate, subject to—

38 “(i) the condition that the applicable qualified electrification projects benefit
39 each dwelling unit with respect to which the rebate is claimed; and

1 “(ii) any maximum per-dwelling unit rate established by the Secretary.

2 “(B) COSTS.—

3 “(i) IN GENERAL.—Subject to clause (ii), the amount of a rebate under
4 subparagraph (A) shall not exceed 50 percent of the total cost, including labor
5 costs, of the applicable qualified electrification projects.

6 “(ii) LOW- OR MODERATE-INCOME BUILDINGS.—In the case of a multifamily
7 building that is certified by the Secretary as low- or moderate-income, the amount
8 of a rebate under subparagraph (A) shall not exceed 100 percent of the total cost
9 of the applicable qualified electrification projects.

10 “(C) PROCEDURES.—The Secretary shall establish and publish procedures—

11 “(i) pursuant to which the owner of a multifamily building may combine rebate
12 amounts in accordance with this subsection; and

13 “(ii) for the enforcement of any limitations under this subsection.

14 “(7) PROCESS.—

15 “(A) REBATE PROCESS.—Not later than July 1, 2022, the Secretary shall establish a
16 rebate processing system that provides immediate price relief for consumers who
17 purchase and have installed qualified electrification projects, in accordance with this
18 section.

19 “(B) QUALIFIED ELECTRIFICATION PROJECT LIST.—

20 “(i) IN GENERAL.—Not later than July 1, 2022, the Secretary shall publish a list
21 of qualified electrification projects for which a high-efficiency electric home
22 rebate may be provided under this subsection that includes, at a minimum, the
23 qualified electrification projects described in subsection (d)(11)(A).

24 “(ii) REQUIREMENTS.—The list published under clause (i) shall include
25 specifications for each qualified electrification project included on the list,
26 including—

27 “(I) appropriate certifications under the Energy Star program; and

28 “(II) other applicable requirements, such as requirements relating to
29 grid-interactive capability.

30 “(iii) UPDATES.—

31 “(I) IN GENERAL.—Not less frequently than once every 3 years and subject
32 to subclause (II), the Secretary shall publish an updated list of qualified
33 electrification projects for which a high-efficiency electric home rebate may
34 be provided under this subsection.

35 “(II) LIMITATION.—An updated list under subclause (I) shall not allow for
36 any reductions in efficiency levels for qualified electrification projects
37 included on the updated list that are below an efficiency level provided in a
38 previously published version of the list.

39 “(c) Special Provisions for Low- and Moderate-income Households and Multifamily

1 Buildings.—

2 “(1) MAXIMUM AMOUNTS.—With respect to a qualified electrification project carried out
3 at a location described in paragraph (2)—

4 “(A) a high-efficiency electric home rebate shall be equal to—

5 “(i) in the case of a qualified electrification project described in subsection
6 (b)(2)(A)(i), not more than \$1,750;

7 “(ii) in the case of a qualified electrification project described in subsection
8 (b)(2)(A)(ii)—

9 “(I)(aa) not more than \$6,000 if the applicable heat pump HVAC system
10 has a heating capacity of not less than 27,500 Btu per hour; or

11 “(bb) not more than \$7,000 if the applicable heat pump HVAC system
12 meets Energy Star program cold climate criteria and is installed in a cold
13 climate, as determined by the Secretary; and

14 “(II)(aa) not more than \$3,000 if the applicable heat pump HVAC system
15 has a heating capacity of less than 27,500 Btu per hour; or

16 “(bb) not more than \$3,500 if the applicable heat pump HVAC system
17 meets Energy Star program cold climate criteria and is installed in a cold
18 climate, as determined by the Secretary;

19 “(iii) in the case of a qualified electrification project described in subsection
20 (b)(2)(A)(iii), not more than \$840;

21 “(iv) in the case of a qualified electrification project described in subsection
22 (b)(2)(A)(iv), not more than \$4,000;

23 “(v) in the case of a qualified electrification project described in subsection
24 (b)(2)(A)(v) that installs insulation and air sealing, not more than \$1,600; and

25 “(vi) in the case of a qualified electrification project described in subsection
26 (b)(2)(A)(vi), not more than an amount determined by the Secretary for that
27 qualified electrification project, subject to subparagraph (B);

28 “(B) the maximum total amount of high-efficiency electric home rebates that may be
29 awarded with respect to each home of a homeowner shall be \$14,000; and

30 “(C) the amount of a high-efficiency electric home rebate may be used to cover not
31 more than 100 percent of the costs, including labor costs, of the applicable qualified
32 electrification project.

33 “(2) LOCATION DESCRIBED.—The maximum amounts described in paragraph (1) shall
34 apply to—

35 “(A) a home—

36 “(i) with respect to which the household of the homeowner is certified as low-
37 or moderate-income;

38 “(ii) that is located in a Tribal community; or

1 “(iii) in the case of a home that is rented, with respect to which the household
2 of the renter is certified as low- or moderate-income; or

3 “(B) a multifamily building—

4 “(i) that—

5 “(I) is certified as low- or moderate-income; or

6 “(II) is located in a Tribal community; and

7 “(ii) with respect to which more than more than $\frac{1}{2}$ of the dwelling units in
8 the multifamily building—

9 “(I) are occupied by households the annual household incomes of which
10 do not exceed 80 percent of the median annual household income for the
11 area in which the multifamily building is located; and

12 “(II) have average monthly rental prices that are equal to, or less than, an
13 amount that is equal to 30 percent of the average monthly household income
14 for the area in which the multifamily building is located.

15 “(3) REQUIREMENT.—The Secretary may provide a rebate in an amount described in
16 paragraph (1) to the owner of a multifamily building or home (in the case of a home that is
17 rented) that meets the requirements of this section if the owner agrees in writing to provide
18 commensurate benefits of future savings to renters in the multifamily building or home.

19 “(d) Definitions.—In this section:

20 “(1) CERTIFIED CONTRACTOR.—The term ‘certified contractor’ means a contractor with a
21 certification reflecting training, education, or other technical expertise relating to qualified
22 electrification projects for residential buildings, as identified by the Secretary.

23 “(2) CERTIFIED CONTRACTOR COMPANY.—The term ‘certified contractor company’ means
24 a company—

25 “(A) the business of which is to provide services—

26 “(i) to residential building owners; and

27 “(ii) for which a rebate may be provided pursuant to this section;

28 “(B) that holds the licenses and insurance required by the State in which the
29 company provides services; and

30 “(C) that employs 1 or more certified contractors that perform the services for which
31 a rebate may be provided under this section.

32 “(3) ELECTRIC LOAD OR SERVICE CENTER UPGRADE.—The term ‘electric load or service
33 center upgrade’ means an improvement to a circuit breaker panel that enables the
34 installation and use of—

35 “(A) a QEP described in any of subclauses (II) through (IV) of paragraph (9)(A)(i);
36 or

37 “(B) a QEP described in any of subclauses (I) through (III) of paragraph (9)(A)(ii).

38 “(4) ENERGY STAR PROGRAM.—The term ‘Energy Star program’ means the program

1 established by section 324A of the Energy Policy and Conservation Act (42 U.S.C. 6294a).

2 “(5) HEAT PUMP.—The term ‘heat pump’ means a heat pump used for water heating,
3 space heating, or space cooling that—

4 “(A) relies solely on electricity for its source of power; and

5 “(B) is air-sourced, geothermal- or ground-sourced, or water-sourced.

6 “(6) HIGH-EFFICIENCY ELECTRIC HOME REBATE.—The term ‘high-efficiency electric home
7 rebate’ means a rebate provided in accordance with subsection (b).

8 “(7) HOME.—The term ‘home’ means each of—

9 “(A) a building with not more than 4 dwelling units, individual condominium units,
10 or manufactured housing units, that—

11 “(i) is located in a State; and

12 “(ii)(I) is the primary residence of—

13 “(aa) the owner of that building, condominium unit, or manufactured
14 housing unit, as applicable; or

15 “(bb) a renter; or

16 “(II) is a new-construction single-family residential home; and

17 “(B) a unit of a multifamily building that—

18 “(i) is owned by an individual who is not the owner of the multifamily building;

19 “(ii) is located in a State, ~~the District of Columbia, or a territory of the United~~
20 ~~States~~; and

21 “(iii) is the primary residence of—

22 “(I) the owner of that unit; or

23 “(II) a renter.

24 “(8) HVAC.—The term ‘HVAC’ means heating, ventilation, and air conditioning.

25 “(9) LOW- OR MODERATE-INCOME.—The term ‘low - or moderate -income’, with respect
26 to a household, means a household—

27 “(A) with an annual income that is less than 80 percent of the annual median income
28 of the area in which the household is located, which such annual median income of the
29 area is determined according to publicly available data; or

30 “(B) that is low-income as determined by the Secretary.

31 “(10) MULTIFAMILY BUILDING.—The term ‘multifamily building’ means any building—

32 “(A) with 5 or more dwelling units that—

33 “(i) are built on top of one another or side-by-side; and

34 “(ii) may share common facilities; and

35 “(B) that is not a home.

1 “(11) QUALIFIED ELECTRIFICATION PROJECT; QEP.—

2 “(A) IN GENERAL.—The terms ‘qualified electrification project’ and ‘QEP’ mean a
3 project that, as applicable—

4 “(i) installs, or enables the installation and use of, in a home or multifamily
5 building—

6 “(I) an electric load or service center upgrade;

7 “(II) an electric heat pump;

8 “(III) an induction or noninduction electric stove, cooktop, range, or oven;

9 “(IV) an electric heat pump clothes dryer; or

10 “(V) insulation, air sealing, and ventilation, in accordance with
11 requirements established by the Secretary; or

12 “(ii) installs, or enables the installation and use of, in a home or multifamily
13 building described in subparagraph (B)—

14 “(I) a solar photovoltaic system, including any electrical equipment,
15 wiring, or other components necessary for the installation and use of the
16 solar photovoltaic system, including a battery storage system;

17 “(II) electric vehicle charging infrastructure or electric vehicle support
18 equipment necessary to recharge an electric vehicle on-site; or

19 “(III) electrical rewiring, power sharing plugs, or other installation tasks
20 directly related to and necessary for the safe and effective functioning of a
21 QEP in a home or multifamily building.

22 “(B) HOME OR MULTIFAMILY BUILDING DESCRIBED.—A home or multifamily
23 building referred to in subparagraph (A)(ii) is a home or multifamily building that is
24 certified, or the household of the homeowner of which is certified, as applicable, as
25 low- or moderate-income.

26 “(C) EXCLUSIONS.—The terms ‘qualified electrification project’ and ‘QEP’ do not
27 include any project with respect to which the appliance, system, equipment,
28 infrastructure, component, or other item described in clause (i) or (ii) of subparagraph
29 (A) is not certified under the Energy Star program if, as of the date on which the
30 project is carried out, the item is of a category for which a certification is provided
31 under that program.

32 “(12) QUALIFIED PROVIDER.—The term ‘qualified provider’ means an electric utility,
33 Tribal-owned entity or Tribally Designated Housing Entity (TDHE), or commercial,
34 nonprofit, or government entity, including a retailer and a certified contractor company, that
35 provides services for which a rebate may be provided pursuant to this section for 1 or more
36 portfolios that consist of 1 or more qualified electrification projects.

37 “(13) SOLAR PHOTOVOLTAIC SYSTEM.—The term ‘solar photovoltaic system’ means a
38 system—

39 “(A) placed on-site at a home or multifamily building, or as part of the community
40 of the home or multifamily building; and

1 “(B) that generates electricity from the sun specifically for the home, multifamily
2 building, or community.

3 ** 1 ~~(4)~~“(14) STATE.—The term “~~State~~” ‘**State**’ means a State, the District of Columbia,
4 or any territory or possession of the United States.

5 ~~“(14)~~“(15) TRIBAL COMMUNITY.—The term ‘Tribal community’ means a Tribal tract or
6 Tribal block group.

7 ~~“(15)~~“(16) UNDERSERVED COMMUNITY.—The term ‘underserved community’ means a
8 community located in a census tract that is identified by the Secretary as—

9 “(A) a low- or moderate-income community; or

10 “(B) a community of racial or ethnic minority concentration.”.

11 (b) Conforming Amendments.—

12 (1) The table of contents for the Energy Policy Act of 2005 (Public Law 109–58; 119
13 Stat. 594) is amended by striking the item relating to section 124 and inserting the
14 following:

15 “Sec.124.High-Efficiency Electric Home Rebate Program.”.

16 (2) Section 3201(c)(2)(A)(i) of the Energy Act of 2020 (42 U.S.C. 17232(c)(2)(A)(i)) is
17 amended by striking “(a)” each place it appears.

18 PART 2—BUILDING EFFICIENCY AND RESILIENCE

19 SEC. 30421. CRITICAL FACILITY MODERNIZATION.

20 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
21 Secretary of Energy for fiscal year 2022, out of any money in the Treasury not otherwise
22 appropriated, \$500,000,000, to remain available ~~until~~ **through** September 30, 2031, to **provide**
23 **financial assistance to States to develop and implement State programs described in**
24 **subsection (d)(5) of section 362 of the Energy Policy and Conservation Act (42 U.S.C. 6322),**
25 **as part of an approved State energy conservation plan under that section, to be distributed**
26 ~~carry out a program under which the Secretary of Energy provides funds to States to be used in~~
27 ~~accordance with subsection (e).~~

28 (b) Allocation of Funds.—~~The Secretary of Energy shall allocate funds made available under~~
29 ~~subsection (a) to States in accordance with the formula used to allocate Federal financial~~
30 ~~assistance granted pursuant to section 363 of the Energy Policy and Conservation Act (42 U.S.C.~~
31 ~~6323) (as of January 1, 2021), except that no matching requirement shall apply. **for the State**~~
32 **Energy Program established in part 420 of title 10, Code of Federal Regulations (as in**
33 **effect on January 1, 2021), to carry out projects to improve the energy resilience of public**
34 **or nonprofit buildings, including projects to increase the energy efficiency and grid**
35 **integration of public or nonprofit buildings or the renewable energy used at public or**
36 **nonprofit buildings.**

37 (c) ~~Use of Funds.~~—(b) Use of Funds.—

38 (1) ~~In general.~~—A State that receives funds(1) GUIDELINES.—Not later than 180 days
39 after the date of enactment of this Act, the Secretary shall issue guidelines for

1 **measures for States to include in any program with respect to which a State receives**
2 **financial assistance under this section.**

3 **(2) ADMINISTRATIVE EXPENSES.—A State receiving financial assistance under this**
4 **section shall use such funds to— not more than 10 percent for administrative purposes.**

5 ~~(A) provide technical assistance for carrying out a covered project;~~

6 ~~(B) facilitate carrying out a covered project, including by providing a grant, loan, or~~
7 **other(3) NO MATCHING FUNDS REQUIREMENT.—The Secretary may not require a State**
8 **receiving financial assistance to another entity; under this section to provide matching**
9 **funds.**

10 ~~(C) carry out a covered project; or~~
11 **(4) EXEMPTION.—Activities carried out using funds**
12 **appropriated under subsection (a) shall not be subject to the expenditure prohibitions**
13 **and limitations of the State Energy Program under section 420.18 of title 10, Code of**
14 **Federal Regulations.**

15 ~~(D) pay for any administrative expenses related to any activity described in subparagraphs (A)~~
16 **through (C).**

17 ~~(2) Limit on technical assistance.—A State that receives funds under this section may not use~~
18 ~~more than 10 percent of such funds to provide technical assistance under paragraph (1)(A)~~
19 ~~related to the development, facilitation, management, oversight, or measurement of results of~~
20 ~~covered projects.~~

21 ~~(d)(c) Definitions.—In this section:~~

22 ~~(1) COVERED PROJECT.—THE TERM “COVERED PROJECT” MEANS A BUILDING PROJECT AT~~
23 ~~AN ELIGIBLE FACILITY THAT—~~ **ENERGY RESILIENCE.—The term “energy resilience”**
24 **means the ability to withstand and quickly recover from an energy supply disruption.**

25 ~~(A) increases—~~

26 ~~(i) the resiliency of an eligible facility;~~

27 ~~(ii) energy efficiency;~~

28 ~~(iii) the use of renewable energy; or~~

29 ~~(iv) grid integration; and~~

30 ~~(B) may include a combined heat and power, microgrid, or energy storage component.~~

31 ~~(2) Eligible facility.—The term “eligible facility”~~ **(2) PUBLIC OR NONPROFIT**
32 **BUILDING.—The term “public or nonprofit building” means a public or nonprofit**
33 **building described in section 362(d)(5)(B) of the Energy Policy and Conservation Act (42**
34 **U.S.C. 6322(d)(5)(B)).**

35 ~~(3) STATE.—The term “State” has the meaning given the term in section 3 of the Energy~~
36 **Policy and Conservation Act (42 U.S.C. 6202).**

37 **SEC. 30422. ASSISTANCE FOR LATEST AND ZERO** 38 **BUILDING ENERGY CODE ADOPTION.**

39 **(a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the**

1 Secretary of Energy for fiscal year 2022, out of any money in the Treasury not otherwise
2 appropriated—

3 (1) \$100,000,000, to remain available until September 30, 2031, to carry out activities
4 under part D of title III of the Energy Policy and Conservation Act (42 U.S.C. 6321 through
5 6326) in accordance with subsection (b); and

6 (2) \$200,000,000, to remain available until September 30, 2031, to carry out activities
7 under part D of title III of the Energy Policy and Conservation Act (42 U.S.C. 6321 through
8 6326) in accordance with subsection (c).

9 (b) Latest Building Energy Code.—The Secretary of Energy shall use funds made available
10 under subsection (a)(1) for grants to assist States, and units of local government that have
11 authority to adopt building codes, to—

12 (1) adopt—

13 (A) a building energy code (or codes) for residential buildings that meets or exceeds
14 the 2021 International Energy Conservation Code, or achieves equivalent or greater
15 energy savings;

16 (B) a building energy code (or codes) for commercial buildings that meets or
17 exceeds the ANSI/ASHRAE/IES Standard 90.1–2019, or achieves equivalent or
18 greater energy savings; or

19 (C) any combination of building energy codes described in subparagraph (A) or (B);
20 and

21 (2) implement a plan for the jurisdiction to achieve full compliance with any building
22 energy code adopted under paragraph (1) in new and renovated residential or commercial
23 buildings, as applicable, which plan shall include active training and enforcement programs
24 and measurement of the rate of compliance each year.

25 (c) Zero Energy Code.—The Secretary of Energy shall use funds made available under
26 subsection (a)(2) for grants to assist States, and units of local government that have authority to
27 adopt building codes, to—

28 (1) adopt a building energy code (or codes) for residential and commercial buildings that
29 meets or exceeds the zero energy provisions in the 2021 International Energy Conservation
30 Code or an equivalent stretch code; and

31 (2) implement a plan for the jurisdiction to achieve full compliance with any building
32 energy code adopted under paragraph (1) in new and renovated residential and commercial
33 buildings, which plan shall include active training and enforcement programs and
34 measurement of the rate of compliance each year.

35 (d) State Match.—The State cost share requirement under the item relating to “Department of
36 Energy—Energy Conservation” in title II of the Department of the Interior and Related Agencies
37 Appropriations Act, 1985 (42 U.S.C. 6323a; 98 Stat. 1861) shall not apply to assistance provided
38 under this section.

39 (e) State Defined.—In this section, the term “State” has the meaning given that term in section
40 3 of the Energy Policy and Conservation Act (42 U.S.C. 6202).

1 (f) Administrative Costs.—Of the amounts made available under this section, the Secretary
2 shall reserve 5 percent for administrative costs necessary to carry out this section.

3 PART 3—ZERO-EMISSIONS VEHICLE 4 INFRASTRUCTURE

5 SEC. 30431. ZERO-EMISSIONS VEHICLE 6 INFRASTRUCTURE GRANTS.

7 (a) Appropriations.—In addition to amounts otherwise available, there is appropriated to the
8 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to
9 remain available through September 30, ~~2028~~ **2028, to be distributed to States in**
10 **accordance with the formula for the State Energy Program established in part 420 of title**
11 **10, Code of Federal Regulations (as in effect on January 1, 2021)—**

12 ~~(1) \$600,000,000~~ **(1) \$600,000,000 to carry out a program** to provide financial
13 assistance to States to develop and implement State programs described in subsection (d)(5)
14 of section 362 of the Energy Policy and Conservation Act (42 U.S.C. 6322), as part of an
15 approved State energy conservation plan under that section, to carry out projects to build
16 out publicly accessible level 2 electric vehicle supply equipment in rural communities or
17 underserved or disadvantaged communities;

18 (2) \$200,000,000 **to carry out a program** to provide financial assistance to States to
19 develop and implement State programs described in subsection (d)(5) of section 362 of the
20 Energy Policy and Conservation Act (42 U.S.C. 6322), as part of an approved State energy
21 conservation plan under that section, to carry out projects to build out publicly accessible
22 networked direct current fast **charge** electric vehicle supply equipment in rural communities
23 or underserved or disadvantaged communities; and

24 (3) \$200,000,000 **to carry out a program** to provide financial assistance to States to
25 develop and implement State programs described in subsection (d)(5) of section 362 of the
26 Energy Policy and Conservation Act (42 U.S.C. 6322), as part of an approved State energy
27 conservation plan under that section, to carry out projects to build out hydrogen fueling
28 stations in rural communities or underserved or disadvantaged communities.

29 (b) Requirements.—

30 (1) **MEASURES.—Not Rulemaking.—**

31 ~~(A) In general.—~~ **Not** later than 180 days after the date of enactment of this Act, the
32 Secretary shall ~~issue regulations~~ **establish requirements** for measures ~~required~~ to be
33 included in any State program ~~that~~ **with respect to which a State** receives financial
34 assistance under this section.

35 ~~(B) Administrative expenses.—The regulations issued under this paragraph shall require—~~
36 **(2) ADMINISTRATIVE EXPENSES.—**A State receiving financial assistance under this section
37 ~~to~~ **shall** use not more than 5 percent of such financial assistance for administrative purposes.

38 ~~(C)~~ **(3) NO MATCHING FUNDS REQUIREMENT.—**The ~~regulations issued under this paragraph~~
39 ~~shall~~ **Secretary may** not require a State receiving financial assistance under this section to
40 provide a share of the costs of projects carried out pursuant to this section. **matching funds.**

1 ~~(2)~~**(4)** ELIGIBLE ENTITIES.—Financial assistance provided by a State using funds made
2 available under this section shall only be available to eligible entities.

3 ~~(3)~~**(5)** THIRD-PARTY CONTRACTS.—A State or eligible entity may enter into a contract
4 with a private third-party entity for the build out of electric vehicle supply equipment or
5 hydrogen fueling stations under subsection (a).

6 ~~(4)~~**(6)** USE OF PRIVATE PROPERTY.—A State or eligible entity may enter into an agreement
7 for the use of publicly accessible private property.

8 ~~(5)~~**(7)** LIMITATION.—The Secretary shall ensure that no entity receives a profit for access
9 to or hosting of electric vehicle supply equipment or hydrogen fueling stations built out
10 under a contract entered into under paragraph ~~(3)~~**(5)** or pursuant to an agreement entered
11 into under paragraph ~~(4)~~**(6)**, except that the Secretary shall determine an appropriate amount
12 of profit that an entity may receive for the sale of electricity or hydrogen and the operation
13 and maintenance of such electric vehicle supply equipment or hydrogen fueling stations.

14 ~~(6)~~**(8)** REALLOCATION OF FUNDS.—A State shall return to the Secretary any funds
15 received under subsection (a) that the State does not award within 3 years of receiving such
16 funds, and the Secretary shall reallocate such funds to other States.

17 (c) Definitions.—In this section:

18 (1) ELECTRIC VEHICLE SUPPLY EQUIPMENT.—The term “electric vehicle supply
19 equipment” means any conductors, including ungrounded, grounded, and equipment
20 grounding conductors, electric vehicle connectors, attachment plugs, and all other fittings,
21 devices, power outlets, electrical equipment, **stationary energy storage systems**, off-grid
22 charging installations, or apparatuses installed specifically for the purpose of delivering
23 energy to an electric vehicle or to a battery intended to be used in an electric vehicle.

24 (2) ELIGIBLE ENTITY.—The term “eligible entity” means a local, Tribal, or territorial
25 government, a not-for-profit entity, a nonprofit entity, a metropolitan planning organization,
26 or an entity with fewer than 50 employees, as determined by the Secretary.

27 (3) LEVEL 2 ELECTRIC VEHICLE SUPPLY EQUIPMENT.—The term “level 2 electric vehicle
28 supply equipment” means electric vehicle supply equipment that provides an alternating
29 current power source at a minimum of 208 volts.

30 (4) NETWORKED DIRECT CURRENT FAST **CHARGE** ELECTRIC VEHICLE SUPPLY
31 EQUIPMENT.—The term “networked direct current fast **charge** electric vehicle supply
32 equipment” means electric vehicle supply equipment that is capable of providing a direct
33 current power source at a minimum of 50 kilowatts and is enabled to connect to a network
34 to facilitate **at least** data collection and access.

35 (5) PRIVATE THIRD-PARTY ENTITY.—The term “private third-party entity” means a
36 non-governmental entity, including a private business, that is able to contract with the State
37 or an eligible entity to carry out projects to build out electric vehicle supply equipment or
38 hydrogen fueling stations.

39 (6) PUBLICLY ACCESSIBLE.—The term “publicly accessible” means available to members
40 of the public, including within or around—

41 (A) ~~public sidewalks and streets;~~

- 1 ~~(B)~~ public parks;
- 2 ~~(D)~~ multiunit housing structures;
- 3 ~~(C)~~ public buildings; **(B) workplaces;**
- 4 ~~(D)~~ public parking;
- 5 ~~(E)~~ shopping centers;
- 6 ~~(F)~~ commuter transit hubs;
- 7 ~~(G)~~ workplaces;
- 8 ~~(H)~~**(C)** commercial locations that are accessible for a minimum of 12 hours per day
- 9 at least 5 days a week, and capable of being monitored remotely; or
- 10 ~~(H)~~**(D)** other locations that are accessible for a minimum of 12 hours per day at least
- 11 5 days a week, and capable of being monitored remotely.
- 12 (7) SECRETARY.—The term “Secretary” means the Secretary of Energy.
- 13 (8) UNDERSERVED OR DISADVANTAGED COMMUNITY.—The term “underserved or
- 14 disadvantaged community” means a community or geographic area that is identified by the
- 15 Secretary as—
- 16 (A) a low-income community;
- 17 (B) a Tribal community;
- 18 (C) having a disproportionately low number of electric vehicle charging stations per
- 19 capita, compared to similar areas; or
- 20 (D) disproportionately vulnerable to, or bearing a disproportionate burden of, any
- 21 combination of economic, social, environmental, or climate stressors.

22 PART 4—DOE LOAN AND GRANT PROGRAMS

23 SEC. 30441. FUNDING FOR DEPARTMENT OF ENERGY 24 LOAN PROGRAMS OFFICE.

25 (a) Commitment Authority.—In addition to commitment authority otherwise available and

26 previously provided, the Secretary of Energy may make commitments to guarantee loans for

27 eligible projects under section 1703 of the Energy Policy Act of 2005 up to a total principal

28 amount of \$40,000,000,000, to remain available until September 30, 2026: Provided, That for

29 amounts collected pursuant to section 1702(b)(2) of the Energy Policy Act of 2005, the source of

30 such payment received from borrowers may not be a loan or other debt obligation that is

31 guaranteed by the Federal Government: Provided further, That none of the loan guarantee

32 authority made available by this section shall be available for any project unless the President

33 has certified in advance in writing that the loan guarantee and the project comply with the

34 provisions under this section: Provided further, That none of such loan guarantee authority made

35 available by this section shall be available for commitments to guarantee loans for any projects

36 where funds, personnel, or property (tangible or intangible) of any Federal agency,

37 instrumentality, personnel, or affiliated entity are expected to be used (directly or indirectly)

38 through acquisitions, contracts, demonstrations, exchanges, grants, incentives, leases,

1 procurements, sales, other transaction authority, or other arrangements, to support the project or
2 to obtain goods or services from the project: Provided further, That the previous proviso shall not
3 be interpreted as precluding the use of the loan guarantee authority provided by this section for
4 commitments to guarantee loans for—

5 (1) projects as a result of such projects benefitting from otherwise allowable Federal tax
6 benefits;

7 (2) projects as a result of such projects benefitting from being located on Federal land
8 pursuant to a lease or right-of-way agreement for which all consideration for all uses is—

9 (A) paid exclusively in cash;

10 (B) deposited in the Treasury as offsetting receipts; and

11 (C) equal to the fair market value;

12 (3) projects as a result of such projects benefitting from the Federal insurance program
13 under section 170 of the Atomic Energy Act of 1954 (42 U.S.C. 2210); or

14 (4) electric generation projects using transmission facilities owned or operated by a
15 Federal Power Marketing Administration or the Tennessee Valley Authority that have been
16 authorized, approved, and financed independent of the project receiving the guarantee.

17 (b) Appropriation.—In addition to amounts otherwise available and previously provided, there
18 is appropriated to the Secretary of Energy for fiscal year 2022, out of any money in the Treasury
19 not otherwise appropriated, \$3,600,000,000, to remain available until September 30, 2026, for
20 the costs of guarantees made under section 1703 of the Energy Policy Act of 2005, using the loan
21 guarantee authority provided under subsection (a) of this section.

22 (c) Administrative Expenses.—Of the amount made available under subsection (b), the
23 Secretary of Energy shall reserve 3 percent for administrative expenses to carry out title XVII of
24 the Energy Policy Act of 2005 and for carrying out section 1702(h)(3) of such Act.

25 SEC. 30442. ADVANCED TECHNOLOGY VEHICLE 26 MANUFACTURING.

27 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
28 Secretary of Energy for fiscal year 2022, out of any money in the Treasury not otherwise
29 appropriated, \$3,000,000,000, to remain available until September 30, 2028, for the costs of—

30 (1) providing direct loans under section 136(d) of the Energy Independence and Security
31 Act of 2007 (42 U.S.C. 17013(d)); and

32 (2) providing direct loans, in accordance with section 136 of such Act, for reequipping,
33 expanding, or establishing a manufacturing facility in the United States to produce, or for
34 engineering integration performed in the United States of—

35 (A) a medium duty vehicle or a heavy duty vehicle; or

36 (B) any of the following that emit, under any possible operational mode or
37 condition, zero exhaust emissions of any greenhouse gas:

38 (i) A train or locomotive.

- 1 (ii) A maritime vessel.
- 2 (iii) An aircraft.
- 3 (iv) Hyperloop technology.

4 (b) Administrative Costs.—The Secretary shall reserve \$25,000,000 of amounts made
5 available under subsection (a) for administrative costs of providing loans as described in
6 subsection (a).

7 (c) Elimination of Loan Program Cap.—Section 136(d)(1) of the Energy Independence and
8 Security Act of 2007 (42 U.S.C. 17013(d)(1)) is amended by striking “a total of not more than
9 \$25,000,000,000 in”.

10 SEC. 30443. DOMESTIC MANUFACTURING 11 CONVERSION GRANTS.

12 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
13 Secretary of Energy for fiscal year 2022, out of any money in the Treasury not otherwise
14 appropriated, \$3,500,000,000, to remain available until expended, for grants relating to domestic
15 production of plug-in electric hybrid, plug-in electric drive, and hydrogen fuel cell electric
16 vehicles, in accordance with section 712 of the Energy Policy Act of 2005 (42 U.S.C. 16062).

17 (b) Administrative Costs.—The Secretary shall reserve ~~2~~ **3** percent of amounts made available
18 under subsection (a) for administrative costs of making grants described in such subsection (a)
19 pursuant to section 712 of the Energy Policy Act of 2005 (42 U.S.C. 16062).

20 SEC. 30444. ENERGY COMMUNITY REINVESTMENT 21 FINANCING.

22 Title XVII of the Energy Policy Act of 2005 is amended by inserting after section 1705 (42
23 U.S.C. 16516) the following:

24 “SEC. 1706. ENERGY COMMUNITY REINVESTMENT 25 FINANCING PROGRAM.

26 “(a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
27 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
28 \$5,000,000,000, to remain available until September 30, 2026, for the cost of providing financial
29 support under this section, **the gross principal amount of which shall not exceed**
30 **\$250,000,000,000.**

31 “(b) Establishment.—Notwithstanding section 1702(f) and section 1703, and not later than
32 180 days after the date of enactment of this section, the Secretary shall establish a program to
33 provide financial support, in such form and on such terms and conditions as the Secretary
34 determines appropriate, to eligible entities for the purpose of making or enabling low-carbon
35 reinvestments in energy communities, which such reinvestments may include—

36 “(1) supporting workers who are or have been engaged in providing, or have been
37 affected by the provision of, energy-intensive goods or services by helping such workers
38 find employment opportunities, including by providing training and education;

1 “(2) redeveloping a community that is or was engaged in providing, or has been affected
2 by the provision of, energy-intensive goods or services;

3 “(3) accelerating remediation of environmental damage caused by the provision of
4 energy-intensive goods or services; and

5 “(4) mitigating the effects on customers of any significant reduction in the carbon
6 intensity of goods or services provided by the eligible entity, including by the cost-effective
7 abatement of greenhouse gas emissions from continuing operations and the repowering,
8 retooling, repurposing, redeveloping, or remediating of any long-lived assets, lands, or
9 infrastructure currently or previously used by the eligible entity primarily to support the
10 provision of energy-intensive goods or services.

11 “(c) Application Requirement.—To apply for financial support provided under this section, an
12 eligible entity shall submit to the Secretary an application at such time, in such manner, and
13 containing such information as the Secretary may require, which such application shall include—

14 “(1) a detailed plan describing the activities to be carried out in accordance with
15 subsection (b), including activities for the measurement, monitoring, and verification of
16 emissions of greenhouse gases; and

17 “(2) if the eligible entity is a utility subject to regulation by a State commission or other
18 State regulatory authority, assurances, as determined appropriate by the Secretary, that such
19 eligible entity shall pass through any financial benefit from the provision of any financial
20 support under this section to its customers or energy communities.

21 “(d) Other Requirements.—

22 “(1) FEES.—Notwithstanding section 1702(h)(1), the Secretary shall charge and collect a
23 fee from each eligible entity that received financial support provided under this section in an
24 amount the Secretary determines sufficient to cover applicable administrative expenses
25 (including any costs associated with third party consultants engaged by the Secretary).

26 “(2) ~~USE OF APPROPRIATED FUNDS.—~~**ANY SPECIFIC APPROPRIATION OR**
27 **CONTRIBUTION.—Any** cost for any financial support provided under this section shall be
28 ~~paid by the Secretary using appropriated funds.~~ **in accordance with subsection (b) of**
29 **section 1702 (for purposes of which any reference in such subsection to a guarantee**
30 **shall be considered to be a reference to financial support).**

31 “(e) Definitions.—In this section:

32 “(1) COST.—Notwithstanding section 1701, the term ‘cost’ has the meaning given such
33 term in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a).

34 “(2) ELIGIBLE ENTITY.—The term ‘eligible entity’ means any entity that is directly
35 affiliated with the provision of energy-intensive goods or services.

36 “(3) ENERGY COMMUNITY.—The term ‘energy community’ means a community whose
37 members are or were engaged in providing, or have been affected by the provision of,
38 energy-intensive goods and services.

39 “(4) FINANCIAL SUPPORT.—The term ‘financial support’ means any credit product or
40 support the Secretary determines appropriate to implement this section, including—

1 “(A) a line of credit; and
2 “(B) a guarantee, including of a letter of credit for the purposes of subsection
3 (b)(3).”.

4 **SEC. 30445. TRIBAL ENERGY LOAN GUARANTEE** 5 **PROGRAM.**

6 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
7 Secretary of Energy for fiscal year 2022, out of any money in the Treasury not otherwise
8 appropriated, \$200,000,000, to remain available until September 30, 2028, to carry out section
9 2602(c) of the Energy Policy Act of 1992 (25 U.S.C. 3502(c)).

10 (b) Inclusions in Title XVII Definition of Guarantee.—Section 1701(4)(B) of the Energy
11 Policy Act of 2005 (42 U.S.C. 16511(4)(B)) is amended by striking the period at the end and
12 inserting “and, for purposes of minimizing financing costs, includes a guarantee by the Secretary
13 of 100 percent of the unpaid principal and interest due on any obligation to the Federal Financing
14 Bank.”.

15 (c) Department of Energy Tribal Energy Loan Guarantee Program.— Section 2602(c) of the
16 Energy Policy Act of 1992 (25 U.S.C. 3502(c)) is amended—

17 (1) in paragraph (1), by striking “(as defined in section 502 of the Federal Credit Reform
18 Act of 1990 (2 U.S.C. 661a)) for an amount equal to not more than 90 percent of” and
19 inserting “(as defined in section 1701 of the Energy Policy Act of 2005 (42 U.S.C. 16511))
20 for”; and

21 (2) in paragraph (4), by striking “\$2,000,000,000” and inserting “\$20,000,000,000”.

22 **PART 5—ELECTRIC TRANSMISSION**

23 **SEC. 30451. TRANSMISSION LINE AND INTERTIE** 24 **~~GRANTS AND LOANS INCENTIVES.~~**

25 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
26 Secretary of Energy for fiscal year 2022, out of any money in the Treasury not otherwise
27 appropriated, to remain available until September 30, 2030, \$1,500,000,000 for purposes of
28 providing grants under subsection (b) and for administrative expenses associated with carrying
29 out this section, and \$500,000,000 for the costs of providing direct loans under subsection (b):
30 Provided, That the Secretary shall not enter into any loan agreement pursuant to this section that
31 could result in disbursements after September 30, 2031, or any grant agreement pursuant to this
32 section that could result in any outlays after September 30, 2031: Provided further, That none of
33 such loan authority made available by this section shall be available for loans for any projects
34 where funds, personnel, or property (tangible or intangible) of any Federal agency,
35 instrumentality, personnel, or affiliated entity are expected to be used (directly or indirectly)
36 through acquisitions, contracts, demonstrations, exchanges, grants, incentives, leases,
37 procurements, sales, other transaction authority, or other arrangements to support the project or
38 to obtain goods or services from the project: Provided further, That the previous proviso shall not
39 be interpreted as precluding the use of the loan authority provided by this section for
40 commitments to loans for: (1) projects benefitting from otherwise allowable Federal tax benefits;

1 (2) projects benefitting from being located on Federal land pursuant to a lease or right-of-way
2 agreement for which all consideration for all uses is: (A) paid exclusively in cash; (B) deposited
3 in the Treasury as offsetting receipts; and (C) equal to the fair market value; (3) projects
4 benefitting from the Federal insurance program under section 170 of the Atomic Energy Act of
5 1954 (42 U.S.C. 2210); or (4) electric generation projects using transmission facilities owned or
6 operated by a Federal Power Marketing Administration or the Tennessee Valley Authority that
7 have been authorized, approved, and financed independent of the project receiving the guarantee:
8 Provided further, That none of the loan authority made available by this section shall be available
9 for any project unless the President has certified in advance in writing that the loan and the
10 project comply with the provisions under this section.

11 (b) In General.—Except as provided in subsection (c), the Secretary of Energy may provide
12 grants and direct loans to eligible entities to construct new, or make upgrades to existing, eligible
13 transmission lines or eligible interties, including the related facilities thereof, if the Secretary of
14 Energy determines that such construction or upgrade would support—

15 (1) a more robust and resilient electric grid; and

16 (2) the integration of electricity from a clean energy facility into the electric grid.

17 (c) Other Requirements.—

18 (1) INTEREST RATES.—The Secretary of Energy shall determine the rate of interest to
19 charge on direct loans provided under subsection (b) by taking into consideration market
20 yields on outstanding marketable obligations of the United States of comparable maturities
21 as of the date the loan is disbursed.

22 (2) RECOVERY OF COSTS FOR GRANTS.—A grant provided under this section may not be
23 used to cover the portion of costs for the construction of new, or for making upgrades to
24 existing, eligible transmission lines or eligible interties, including the related facilities
25 thereof, that are approved for recovery through a Transmission Organization, regional
26 planning authority, governing or ratemaking body of an electric cooperative, State
27 commission, or another similar body.

28 (3) NO DUPLICATE ASSISTANCE.—No eligible entity may receive both a grant and a direct
29 loan for the same construction of, or upgrade to, an eligible transmission line or eligible
30 intertie under this section.

31 (d) Definitions.—In this section:

32 (1) CLEAN ENERGY FACILITY.—The term “clean energy facility” means any electric
33 generating unit that does not emit carbon dioxide.

34 (2) DIRECT LOAN.—The term “direct loan” means a disbursement of funds by the
35 Government to a non-Federal borrower under a contract that requires the repayment of such
36 funds with or without interest. The term includes the purchase of, or participation in, a loan
37 made by another lender and financing arrangements that defer payment for more than 90
38 days, including the sale of a government asset on credit terms.

39 (3) ELIGIBLE ENTITY.—The term “eligible entity” means a non-Federal entity.

40 (4) ELIGIBLE INTERTIE.—The term “eligible intertie” means—

41 (A) any interties across the seam between the Western Interconnection and the

1 Eastern Interconnection;

2 (B) the Pacific Northwest-Pacific Southwest Intertie;

3 (C) any interties between the Electric Reliability Council of Texas and the Western
4 Interconnection or the Eastern Interconnection; or

5 (D) such other interties that the Secretary determines contribute to—

6 (i) a more robust and resilient electric grid; and

7 (ii) the integration of electricity from a clean energy facility into the electric
8 grid.

9 (5) ELIGIBLE TRANSMISSION LINE.—The term “eligible transmission line” means an
10 electric power transmission line that—

11 (A) in the case of new construction under subsection (b), has a transmitting capacity
12 of not less than 1,000 megawatts;

13 (B) in the case of an upgrade made under subsection (b), the upgrade to which will
14 increase its transmitting capacity by not less than 500 megawatts; and

15 (C) is capable of transmitting electricity—

16 (i) across any eligible intertie;

17 (ii) from an offshore wind generating facility; or

18 (iii) along a route, or in a corridor, determined by the Secretary of Energy to be
19 necessary to meet interregional or national electricity transmission needs.

20 (6) STATE COMMISSION; TRANSMISSION ORGANIZATION.—The terms “State commission”
21 and “Transmission Organization” have the meanings given such terms in section 3 of the
22 Federal Power Act (16 U.S.C. 796).

23 SEC. 30452. GRANTS TO FACILITATE THE SITING OF 24 INTERSTATE ELECTRICITY TRANSMISSION LINES.

25 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
26 Secretary of Energy for fiscal year 2022, out of any money in the Treasury not otherwise
27 appropriated, \$800,000,000, to remain available until September 30, 2029, for making grants in
28 accordance with this section and for administrative expenses associated with carrying out this
29 section.

30 (b) Use of Funds.—

31 (1) IN GENERAL.—The Secretary may make a grant under this section to a siting authority
32 for, with respect to a covered transmission project, any of the following activities:

33 (A) Studies and analyses of the impacts of the covered transmission project.

34 (B) Examination of up to 3 alternate siting corridors within which the covered
35 transmission project feasibly could be sited.

36 (C) Hosting and facilitation of negotiations in settlement meetings involving the
37 siting authority, the covered transmission project applicant, and opponents of the

1 covered transmission project, for the purpose of identifying and addressing issues that
2 are preventing approval of the application relating to the siting or permitting of the
3 covered transmission project.

4 (D) Participation by the siting authority in regulatory proceedings or negotiations in
5 another jurisdiction, or under the auspices of a Transmission Organization (as defined
6 in section 3 of the Federal Power Act (16 U.S.C. 796)) that is also considering the
7 siting or permitting of the covered transmission project.

8 (E) Participation by the siting authority in regulatory proceedings at the Federal
9 Energy Regulatory Commission or a State regulatory commission for determining
10 applicable rates and cost allocation for the covered transmission project.

11 (F) Other measures and actions that may improve the chances of, and shorten the
12 time required for, approval by the siting authority of the application relating to the
13 siting or permitting of the covered transmission project, as the Secretary determines
14 appropriate.

15 (2) ECONOMIC DEVELOPMENT.—The Secretary may make a grant under this section to a
16 siting authority, or other State, local, or Tribal governmental entity, for economic
17 development activities for communities that may be affected by the construction and
18 operation of a covered transmission project, provided that the Secretary shall not enter into
19 any grant agreement pursuant to this section that could result in any outlays after September
20 30, 2031.

21 (c) Conditions.—

22 (1) FINAL DECISION ON APPLICATION.—In order to receive a grant for an activity
23 described in subsection (b)(1), the Secretary shall require a siting authority to agree, in
24 writing, to reach a final decision on the application relating to the siting or permitting of the
25 applicable covered transmission project not later than 2 years after the date on which such
26 grant is provided, unless the Secretary authorizes an extension for good cause.

27 (2) FEDERAL SHARE.—The Federal share of the cost of an activity described in
28 subparagraph (D) or (E) of subsection (b)(1) shall not exceed 50 percent.

29 (3) ECONOMIC DEVELOPMENT.—The Secretary may only disburse grant funds for
30 economic development activities under subsection (b)(2)—

31 (A) to a siting authority upon approval by the siting authority of the applicable
32 covered transmission project; and

33 (B) to any other State, local, or Tribal governmental entity upon commencement of
34 construction of the applicable covered transmission project in the area under the
35 jurisdiction of the entity.

36 (d) Returning Funds.—If a siting authority that receives a grant for an activity described in
37 subsection (b)(1) fails to use all grant funds within 2 years of receipt, the siting authority shall
38 return to the Secretary any such unused funds.

39 (e) Definitions.—In this section:

40 (1) COVERED TRANSMISSION PROJECT.—The term “covered transmission project” means a
41 high-voltage interstate or offshore electricity transmission line—

1 (A) that is proposed to be constructed and to operate at a minimum of 275 kilovolts
2 of either alternating-current or direct-current electric energy by an entity; and

3 (B) for which such entity has applied, or informed a siting authority of such entity's
4 intent to apply, for regulatory approval.

5 (2) SITING AUTHORITY.—The term “siting authority” means a State, local, or Tribal
6 governmental entity with authority to make a final determination regarding the siting,
7 permitting, or regulatory status of a covered transmission project that is proposed to be
8 located in an area under the jurisdiction of the entity.

9 (3) STATE.—The term “State” means a State, the District of Columbia, or any territory or
10 possession of the United States.

11 SEC. 30453. ORGANIZED WHOLESALE ELECTRICITY 12 MARKET TECHNICAL ASSISTANCE GRANTS.

13 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
14 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
15 \$50,000,000 **\$40,000,000**, to remain available until fiscal year 2031, for purposes of ~~providing~~
16 ~~technical assistance and grants under subsection (b).~~ **carrying out a program to provide—**

17 ~~(b) Technical Assistance and Grants.—The Secretary shall use amounts made available~~
18 ~~under subsection (a) to—~~ **(1) technical assistance and grants to States to evaluate**
19 **forming, participating in, expanding, or improving organized wholesale electricity**
20 **markets; and**

21 ~~(1) provide grants to States to pay for—~~

22 ~~(A) technical assistance for any of the activities described in subsection (e); or~~

23 ~~(B) the procurement of~~ **(2) grants to States to procure** data or technology systems
24 related to **forming, participating in** any of the activities described in subsection (e); and

25 ~~(2) provide technical assistance for the activities described in subsection (e).~~

26 ~~(e) Activities.—The activities described in this subsection are—~~

27 ~~(1) forming, expanding, or improving an organized wholesale electricity market,~~
28 ~~including with respect to—~~

29 ~~(A) market governance assistance;~~

30 ~~(B) planning and policy assistance; and~~

31 ~~(C) regulatory development assistance;~~

32 ~~(2) aligning the policies of an organized wholesale electricity market with relevant State~~
33 ~~policies; and~~

34 ~~(3) evaluating the economic, operational, reliability, environmental, and other benefits of~~
35 ~~organized wholesale electricity markets.~~

36
37 ~~(d) Applications.—~~

1 ~~(1) In general.~~ **(b) Applications.**—To apply for technical assistance or a grant provided
2 under this section, a State shall submit to the Secretary an application at such time, in such
3 manner, and containing such information as the Secretary may require.

4 ~~(2) Grants.~~—An application for a grant submitted under paragraph (1) shall certify how the
5 State will use the grant in accordance with subsection (b).

6 ~~(e)~~**(c) Definitions.**—In this section:

7 (1) INDEPENDENT SYSTEM OPERATOR; REGIONAL TRANSMISSION ORGANIZATION.—The
8 terms “Independent System Operator” and “Regional Transmission Organization” have the
9 meanings given such terms in section 3 of the Federal Power Act (16 U.S.C. 796).

10 (2) ORGANIZED WHOLESALE ELECTRICITY MARKET.—The term “organized wholesale
11 electricity market” means an Independent System Operator or a Regional Transmission
12 Organization.

13 (3) SECRETARY.—The term “Secretary” means the Secretary of Energy.

14
15 * ~~1 (4) State.~~—The term “State” means a State, the District of Columbia, or any territory
16 or possession of the United States.

17 **(4) STATE.**—The term “State” means a State or the District of Columbia.

18 **SEC. 30454. INTERREGIONAL AND OFFSHORE WIND**
19 **ELECTRICITY TRANSMISSION PLANNING, MODELING,**
20 **AND ANALYSIS.**

21 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
22 Secretary of Energy for fiscal year 2022, out of any money in the Treasury not otherwise
23 appropriated, \$100,000,000, to remain available until September 30, 2031, to carry out this
24 section.

25 (b) Use of Funds.—The Secretary of Energy shall use amounts made available under
26 subsection (a) to—

27 (1) pay expenses associated with convening relevant stakeholders, including States,
28 generation and transmission developers, regional transmission organizations, independent
29 system operators, environmental organizations, electric utilities, and other stakeholders the
30 Secretary determines appropriate, to address the development of interregional electricity
31 transmission and transmission of electricity that is generated by offshore wind; and

32 (2) conduct planning, modeling, and analysis regarding interregional electricity
33 transmission and transmission of electricity that is generated by offshore wind, taking into
34 account the local, regional, and national economic, reliability, resilience, security, public
35 policy, and environmental benefits of interregional electricity transmission and transmission
36 of electricity that is generated by offshore wind, including planning, modeling, and analysis,
37 as the Secretary determines appropriate, pertaining to—

38 (A) clean energy integration into the electric grid, including the identification of
39 renewable energy zones;

1 (B) the effects of changes in weather due to climate change on the reliability and
2 resilience of the electric grid;

3 (C) cost allocation methodologies that facilitate the expansion of the bulk power
4 system;

5 (D) the benefits of coordination between generator interconnection processes and
6 transmission planning processes;

7 (E) the effect of increased electrification on the electric grid;

8 (F) power flow modeling;

9 (G) the benefits of increased interconnections or interties between or among the
10 Western Interconnection, the Eastern Interconnection, the Electric Reliability Council
11 of Texas, and other interconnections, as applicable;

12 (H) the cooptimization of transmission and generation, including variable energy
13 resources, energy storage, and demand-side management;

14 (I) the opportunities for use of nontransmission alternatives, energy storage, and
15 grid-enhancing technologies;

16 (J) economic development opportunities for communities arising from development
17 of interregional electricity transmission and transmission of electricity that is generated
18 by offshore wind;

19 (K) evaluation of existing rights-of-way and the need for additional transmission
20 corridors; and

21 (L) a planned national transmission grid, which would include a networked
22 transmission system to optimize the existing grid for interconnection of offshore wind
23 farms.

24 PART 6—ENVIRONMENTAL REVIEWS

25 SEC. 30461. DEPARTMENT OF ENERGY.

26 In addition to amounts otherwise available, there is appropriated to the Department of Energy
27 for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$125,000,000,
28 to remain available until September 30, 2031, to provide for the development of more efficient,
29 accurate, and timely reviews for planning, permitting, and approval processes through the hiring
30 and training of personnel, the development of programmatic documents, the procurement of
31 technical or scientific services for reviews, the development of data or information systems,
32 stakeholder and community engagement, the purchase of new equipment for analysis, and the
33 development of geographic information systems and other analysis tools, techniques, and
34 guidance to improve agency transparency, accountability, and public engagement.

35 SEC. 30462. FEDERAL ENERGY REGULATORY 36 COMMISSION.

37 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
38 Federal Energy Regulatory Commission for fiscal year 2022, out of any money in the Treasury

1 not otherwise appropriated, \$75,000,000, **to remain available until September 30, 2031**, to
2 provide for the development of more efficient, accurate, and timely reviews for planning,
3 permitting, and approval processes through the hiring and training of personnel, the development
4 of programmatic documents, the procurement of technical or scientific services for reviews, the
5 development of data or information systems, stakeholder and community engagement, the
6 purchase of new equipment for analysis, and the development of geographic information systems
7 and other analysis tools, techniques, and guidance to improve agency transparency,
8 accountability, and public engagement.

9 (b) Fees and Charges.—Section 3401(a) of the Omnibus Budget Reconciliation Act of 1986
10 (42 U.S.C. 7178(a)) shall not apply to the costs incurred by the Federal Energy Regulatory
11 Commission in carrying out this section.

12 PART 7—INDUSTRIAL

13 SEC. 30471. ADVANCED INDUSTRIAL FACILITIES 14 DEPLOYMENT PROGRAM.

15 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
16 Secretary of Energy for fiscal year 2022, out of any money in the Treasury not otherwise
17 appropriated, \$4,000,000,000, to remain available until September 30, 2026, to carry out this
18 section.

19 (b) Program.—The Secretary shall use funds appropriated by subsection (a) to establish a
20 program to provide financial assistance, on a competitive basis, to eligible entities to carry out
21 projects for—

22 (1) the purchase and installation, or implementation, of advanced industrial technology at
23 an eligible facility;

24 (2) retrofits, upgrades to, or operational improvements at an eligible facility to install or
25 implement advanced industrial technology; or

26 (3) engineering studies and other work needed to prepare an eligible facility for activities
27 described in paragraph (1) or (2).

28 (c) Application.—To be eligible to receive financial assistance under the program established
29 under subsection (b), an eligible entity shall submit to the Secretary an application at such time,
30 in such manner, and containing such information as the Secretary may require, including the
31 expected greenhouse gas emissions reductions to be achieved by carrying out the project.

32 (d) Priority.—In providing financial assistance under the program established under
33 subsection (b), the Secretary shall give priority consideration to projects on the basis of, as
34 determined by the Secretary—

35 (1) the expected greenhouse gas emissions reductions to be achieved by carrying out the
36 project;

37 (2) the extent to which the project would provide the greatest benefit for the greatest
38 number of people within the area in which the eligible facility is located; and

39 (3) whether the eligible entity participates or would participate in a partnership with

1 purchasers of the output of the eligible facility.

2 (e) Cost Share.—The ~~Federal share~~ **Secretary may require an eligible entity to provide not**
3 **more than 50 percent** of the cost of a project carried out pursuant to this section ~~shall not~~
4 ~~exceed 50 percent~~.

5 (f) Administrative Costs.—The Secretary shall reserve \$200,000,000 of amounts made
6 available under subsection (a) for administrative costs of carrying out this section.

7 (g) Definitions.—

8 (1) ADVANCED INDUSTRIAL TECHNOLOGY.—The term “advanced industrial technology”
9 means technology or processes designed to accelerate greenhouse gas emissions reduction
10 progress to net-zero at an eligible facility, as determined by the Secretary, including—

11 (A) industrial energy efficiency technologies;

12 (B) equipment to electrify industrial processes;

13 (C) equipment to utilize low- or zero-carbon fuels, feedstocks, and energy sources;

14 (D) low- or zero-carbon process heat systems; and

15 (E) carbon capture, transport, utilization, and storage systems.

16 (2) ELIGIBLE ENTITY.—The term “eligible entity” means the owner or operator of an
17 eligible facility.

18 (3) ELIGIBLE FACILITY.—The term “eligible facility” means a domestic, non-Federal,
19 nonpower industrial or manufacturing facility engaged in energy-intensive industrial
20 processes, including production processes for iron, steel, steel mill products, aluminum,
21 cement, concrete, glass, pulp, paper, and industrial ceramics.

22 (4) FINANCIAL ASSISTANCE.—The term “financial assistance” means a grant, rebate,
23 ~~direct loan~~, or cooperative agreement.

24 (5) SECRETARY.—The term “Secretary” means the Secretary of Energy.

25 PART 8—OTHER ENERGY MATTERS

26 SEC. 30481. OVERSIGHT.

27 In addition to amounts otherwise available, there is appropriated to the Department of Energy
28 for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$5,000,000, to
29 remain available until September 30, 2031, for oversight by the Department of Energy Office of
30 Inspector General of the Department of Energy activities for which funding is appropriated in
31 this subtitle.

32 SEC. 30482. ENERGY INFORMATION 33 ADMINISTRATION.

34 In addition to amounts otherwise available, there is appropriated to the Administrator of
35 the Energy Information Administration for fiscal year 2022, out of any money in the
36 Treasury not otherwise appropriated, \$40,000,000, to remain available until September 30,
37 2031, for data collection, research, and analysis activities.

1 Subtitle E—Affordable Health Care Coverage

2 SEC. 30601. ENSURING AFFORDABILITY OF COVERAGE
3 FOR CERTAIN LOW-INCOME POPULATIONS.

4 (a) Reducing Cost Sharing Under Qualified Health Plans.—Section 1402 of the Patient
5 Protection and Affordable Care Act (42 U.S.C. 18071) is amended—

6 (1) in subsection (b)—

7 (A) in paragraph (2), by inserting “(or, with respect to plan years 2023, 2024, and
8 2025, whose household income does not exceed 400 percent of the poverty line for a
9 family of the size involved)” before the period; and

10 (B) in the matter following paragraph (2), by adding at the end the following new
11 sentence: “In the case of an individual who; **is determined** at any point ~~during 2022,~~
12 ~~has to have~~ a household income **for 2022** that does not exceed 138 percent of the
13 poverty line for a family of the size involved, such individual shall, for each month
14 during such year, be treated as having a household income equal to 100 percent for
15 purposes of applying this section.”; and

16 (2) in subsection (c)—

17 (A) in paragraph (1)(A), in the matter preceding clause (i), by inserting “, with
18 respect to eligible insureds (other than, with respect to plan years 2023, 2024, and
19 2025, specified enrollees (as defined in paragraph (6)(C))),” after “first be achieved”;

20 (B) in paragraph (2), in the matter preceding subparagraph (A), by inserting “with
21 respect to eligible insureds (other than, with respect to plan years 2023, 2024, and
22 2025, specified enrollees)” after “under the plan”;

23 (C) in paragraph (3)—

24 (i) in subparagraph (A), by striking “this subsection” and inserting “paragraph
25 (1) or (2)”;

26 (ii) in subparagraph (B), by striking “this section” and inserting “paragraphs (1)
27 and (2)”;

28 (D) by adding at the end the following new paragraph:

29 “(6) SPECIAL RULE FOR SPECIFIED ENROLLEES.—

30 “(A) IN GENERAL.—The Secretary shall establish procedures under which the issuer
31 of a qualified health plan to which this section applies shall reduce cost-sharing under
32 the plan with respect to months occurring during plan years 2023, 2024, and 2025 for
33 enrollees who are specified enrollees (as defined in subparagraph (C)) in a manner
34 sufficient to increase the plan’s share of the total allowed costs of benefits provided
35 under the plan to 99 percent of such costs.

36 “(B) METHODS FOR REDUCING COST SHARING.—

37 “(i) IN GENERAL.—An issuer of a qualified health plan making reductions under
38 this paragraph shall notify the Secretary of such reductions and the Secretary

1 shall, out of funds made available under clause (ii), make periodic and timely
2 payments to the issuer equal to 12 percent of the total allowed costs of benefits
3 provided under each such plan to specified enrollees during plan years 2023,
4 2024, and 2025.

5 “(ii) APPROPRIATION.—In addition to amounts otherwise available, there are
6 appropriated, out of any money in the Treasury not otherwise appropriated, such
7 sums as may be necessary to the Secretary to make payments under clause (i).

8 “(C) SPECIFIED ENROLLEE DEFINED.—For purposes of this section, the term
9 ‘specified enrollee’ means, with respect to a plan year, an eligible insured who, **is**
10 **determined** at any point ~~during~~ **to have a household income for** such plan year, ~~has a~~
11 ~~household income~~ that does not exceed 138 percent of the poverty line for a family of
12 the size involved. Such insured shall be deemed to be a specified enrollee for each
13 month in such plan year.”.

14 (b) Open Enrollments Applicable to Certain Lower-income Populations.—Section 1311(c) of
15 the Patient Protection and Affordable Care Act (42 U.S.C. 18031(c)) is amended—

16 (1) in paragraph (6)—

17 (A) in subparagraph (C), by striking at the end “and”;

18 (B) in subparagraph (D), by striking the period at the end and inserting “; and”; and

19 (C) by adding at the end the following new subparagraph:

20 “(E) with respect to a qualified health plan with respect to which section 1402
21 applies, for months occurring during the period beginning on January 1, 2022, and
22 ending on December 31, 2025, enrollment periods described in subparagraph (A) of
23 paragraph (8) for individuals described in subparagraph (B) of such paragraph.”; and

24 (2) by adding at the end the following new paragraph:

25 “(8) SPECIAL ENROLLMENT PERIOD FOR CERTAIN LOW-INCOME POPULATIONS.—

26 “(A) IN GENERAL.—The enrollment period described in this paragraph is, in the case
27 of an individual described in subparagraph (B), the continuous period beginning on the
28 first day that such individual is so described.

29 “(B) INDIVIDUAL DESCRIBED.—For purposes of subparagraph (A), an individual
30 described in this subparagraph is an individual—

31 “(i) with a household income that does not exceed 138 percent of the poverty
32 line for a family of the size involved; and

33 “(ii) who is not eligible for minimum essential coverage (as defined in section
34 5000A(f) of the Internal Revenue Code of 1986), other than for coverage
35 described in any of subparagraphs (B) through (E) of paragraph (1) of such
36 section.”.

37 (c) Additional Benefits for Certain Low-income Individuals for Plan Years 2024 and
38 2025.—Section 1301(a) of the Patient Protection and Affordable Care Act (42 U.S.C. 18021(a))
39 is amended—

40 (1) in paragraph (1)—

1 (A) in subparagraph (B), by striking “and” at the end;
2 (B) in subparagraph (C)(iv), by striking the period and inserting “; and”; and
3 (C) by adding at the end the following new subparagraph:
4 “(D) provides, with respect to a plan offered in the silver level of coverage to which
5 section 1402 applies during plan year 2024 and 2025, for benefits described in
6 paragraph (5) in the case of an individual who has a household income that does not
7 exceed 138 percent of the poverty line for a family of the size involved, and who is
8 eligible to receive cost-sharing reductions under section 1402.”; and

9 (2) by adding at the end the following new paragraph:

10 “(5) ADDITIONAL BENEFITS FOR CERTAIN LOW-INCOME INDIVIDUALS FOR PLAN YEAR 2024
11 AND 2025.—

12 “(A) IN GENERAL.—

13 “(i) BENEFITS.—For purposes of paragraph (1)(D), the benefits described in this
14 paragraph to be provided by a qualified health plan are benefits consisting of—

15 “(I) non-emergency medical transportation services (as described in
16 section 1902(a)(4) of the Social Security Act) for which Federal payments
17 would have been available under title XIX of the Social Security Act had
18 such services been furnished to an individual enrolled under a State plan (or
19 waiver of such plan) under such title; and

20 “(II) services described in subsection (a)(4)(C) of section 1905 of such Act
21 for which Federal payments would have been so available;

22 which are not otherwise provided under such plan as part of the essential health
23 benefits package described in section 1302(a).

24 “(ii) CONDITION ON PROVISION OF BENEFITS.—Benefits described in this
25 paragraph shall be provided—

26 “(I) without any restriction on the choice of a qualified provider from
27 whom an individual may receive such benefits; and

28 “(II) without any imposition of cost sharing.

29 “(B) PAYMENTS FOR ADDITIONAL BENEFITS.—

30 “(i) IN GENERAL.—An issuer of a qualified health plan making payments for
31 services described in subparagraph (A) furnished to individuals described in
32 paragraph (1)(D) during plan year 2024 or 2025 shall notify the Secretary of such
33 payments and the Secretary shall, out of funds made available under clause (ii),
34 make periodic and timely payments to the issuer equal to payments for such
35 services so furnished.

36 “(ii) APPROPRIATION.—In addition to amounts otherwise available, there is
37 appropriated, out of any money in the Treasury not otherwise appropriated, such
38 sums as may be necessary to the Secretary to make payments under clause (i).”.

39 (d) Education and Outreach Activities.—

1 (1) IN GENERAL.—Section 1321(c) of the Patient Protection and Affordable Care Act (42
2 U.S.C. 18041(c)) is amended by adding at the end the following new paragraph:

3 “(3) OUTREACH AND EDUCATIONAL ACTIVITIES.—

4 “(A) IN GENERAL.—In the case of an Exchange established or operated by the
5 Secretary within a State pursuant to this subsection, the Secretary shall carry out
6 outreach and educational activities for purposes of informing individuals described in
7 section 1902(a)(10)(A)(i)(VIII) of the Social Security Act who reside in States that
8 have not expended amounts under a State plan (or waiver of such plan) under title XIX
9 of such Act for all such individuals about qualified health plans offered through the
10 Exchange, including by informing such individuals of the availability of coverage
11 under such plans and financial assistance for coverage under such plans. Such outreach
12 and educational activities shall be provided in a manner that is culturally and
13 linguistically appropriate to the needs of the populations being served by the Exchange
14 (including hard-to-reach populations, such as racial and sexual minorities, limited
15 English proficient populations, individuals residing in areas where the unemployment
16 rates exceeds the national average unemployment rate, individuals in rural areas,
17 veterans, and young adults).

18 “(B) LIMITATION ON USE OF FUNDS.—No funds appropriated under this paragraph
19 shall be used for expenditures for promoting non-ACA compliant health insurance
20 coverage.

21 “(C) NON-ACA COMPLIANT HEALTH INSURANCE COVERAGE.—For purposes of
22 subparagraph (B):

23 “(i) The term ‘non-ACA compliant health insurance coverage’ means health
24 insurance coverage, or a group health plan, that is not a qualified health plan.

25 “(ii) Such term includes the following:

26 “(I) An association health plan.

27 “(II) Short-term limited duration insurance.

28 “(D) FUNDING.—In addition to amounts otherwise available, there is appropriated,
29 out of any money in the Treasury not otherwise appropriated, to remain available until
30 expended, \$105,000,000 for fiscal year 2022 to carry out this paragraph, of which—

31 “(i) \$15,000,000 shall be used to carry out this paragraph in fiscal year 2022;
32 and

33 “(ii) \$30,000,000 shall be used to carry out this paragraph for each of fiscal
34 years 2023 through 2025.”.

35 (2) NAVIGATOR PROGRAM.—Section 1311(i)(6) of the Patient Protection and Affordable
36 Care Act (42 U.S.C. 18031(i)(6)) is amended—

37 (A) by striking “FUNDING.—Grants under” and inserting “FUNDING.—

38 “(A) STATE EXCHANGES.—Grants under”; and

39 (B) by adding at the end the following new subparagraph:

40 “(B) FEDERAL EXCHANGES.—For purposes of carrying out this subsection, with

1 respect to an Exchange established and operated by the Secretary within a State
2 pursuant to section 1321(c), the Secretary shall obligate not less than \$10,000,000 out
3 of amounts collected through the user fees on participating health insurance issuers
4 pursuant to section 156.50 of title 45, Code of Federal Regulations (or any successor
5 regulations) for fiscal year 2022, and not less than \$20,000,000 for each of fiscal years
6 2023, 2024, and 2025. Such amount so obligated for a fiscal year shall remain
7 available until expended.”.

8 (e) Funding.—In addition to amounts otherwise available, there is appropriated to the
9 Secretary of Health and Human Services for fiscal year 2022, out of any money in the Treasury
10 not otherwise appropriated, \$65,000,000, to remain available until expended, for purposes of
11 carrying out the provisions of, and the amendments made by, this section, section 30602, and
12 section 30603.

13 SEC. 30602. ESTABLISHING A HEALTH INSURANCE 14 AFFORDABILITY FUND.

15 (a) In General.—Subtitle D of title I of the Patient Protection and Affordable Care Act is
16 amended by inserting after section 1343 (42 U.S.C. 18063) the following new part:

17 “PART 6—IMPROVE HEALTH INSURANCE 18 AFFORDABILITY FUND

19 “SEC. 1351. ESTABLISHMENT OF PROGRAM.

20 “There is hereby established the ‘Improve Health Insurance Affordability Fund’ to be
21 administered by the Secretary of Health and Human Services, acting through the Administrator
22 of the Centers for Medicare & Medicaid Services (in this section referred to as the
23 ‘Administrator’), to provide funding, in accordance with this part, to the 50 States and the
24 District of Columbia (each referred to in this section as a ‘State’) beginning on January 1, 2023,
25 for the purposes described in section 1352.

26 “SEC. 1352. USE OF FUNDS.

27 “(a) In General.—A State shall use the funds allocated to the State under this part for one of
28 the following purposes:

29 “(1) To provide reinsurance payments to health insurance issuers with respect to
30 individuals enrolled under individual health insurance coverage (other than through a plan
31 described in subsection (b)) offered by such issuers.

32 “(2) To provide assistance (other than through payments described in paragraph (1)) to
33 reduce out-of-pocket costs, such as copayments, coinsurance, premiums, and deductibles, of
34 individuals enrolled under qualified health plans offered on the individual market through
35 an Exchange and of individuals enrolled under standard health plans offered through a basic
36 health program established under section 1331.

37 “(b) Exclusion of Certain Grandfathered Plans, Transitional Plans, Student Health Plans, and
38 Excepted Benefits.—For purposes of subsection (a), a plan described in this subsection is the
39 following:

1 “(1) A grandfathered health plan (as defined in section 1251).

2 “(2) A plan (commonly referred to as a ‘transitional plan’) continued under the letter
3 issued by the Centers for Medicare & Medicaid Services on November 14, 2013, to the
4 State Insurance Commissioners outlining a transitional policy for coverage in the individual
5 and small group markets to which section 1251 does not apply, and under the extension of
6 the transitional policy for such coverage set forth in the Insurance Standards Bulletin Series
7 guidance issued by the Centers for Medicare & Medicaid Services on March 5, 2014,
8 February 29, 2016, February 13, 2017, April 9, 2018, March 25, 2019, January 31, 2020,
9 and January 19, 2021, or under any subsequent extensions thereof.

10 “(3) Student health insurance coverage (as defined in section 147.145 of title 45, Code of
11 Federal Regulations, or any successor regulation).

12 “(4) Excepted benefits (as defined in section 2791(c) of the Public Health Service Act).

13 **“SEC. 1353. STATE ELIGIBILITY AND APPROVAL;**
14 **DEFAULT SAFEGUARD.**

15 “(a) Encouraging State Options for Allocations.—

16 “(1) IN GENERAL.—Subject to subsection (b), to be eligible for an allocation of funds
17 under this part for a year (beginning with 2023), a State shall submit to the Administrator an
18 application at such time (but, in the case of allocations for 2023, not later than 120 days
19 after the date of the enactment of this part and, in the case of allocations for a subsequent
20 year, not later than January 1 of the previous year) and in such form and manner as
21 specified by the Administrator containing—

22 “(A) a description of how the funds will be used; and

23 “(B) such other information as the Administrator may require.

24 “(2) AUTOMATIC APPROVAL.—An application so submitted is approved (as outlined in the
25 terms of the plan) unless the Administrator notifies the State submitting the application, not
26 later than 90 days after the date of the submission of such application, that the application
27 has been denied for not being in compliance with any requirement of this part and of the
28 reason for such denial.

29 “(3) SUBSEQUENT YEAR APPLICATION APPROVAL.—If an application of a State is approved
30 for a purpose described in section 1352 for a year, such application shall be treated as
31 approved for such purpose for each of subsequent year through 2025.

32 “(4) OVERSIGHT AUTHORITY AND AUTHORITY TO REVOKE APPROVAL.—

33 “(A) OVERSIGHT.—The Secretary may conduct periodic reviews of the use of funds
34 provided to a State under this section, with respect to a purpose described in section
35 1352, to ensure the State uses such funds for such purpose and otherwise complies
36 with the requirements of this section.

37 “(B) REVOCATION OF APPROVAL.—The approval of an application of a State, with
38 respect to a purpose described in section 1352, may be revoked if the State fails to use
39 funds provided to the State under this section for such purpose or otherwise fails to
40 comply with the requirements of this section.

1 “(b) Default Federal Safeguard for 2023, 2024, and 2025 for Certain States.—

2 “(1) IN GENERAL.—For 2023, 2024, and 2025, in the case of a State described in
3 paragraph (5), with respect to such year, the State shall not be eligible to submit an
4 application under subsection (a), and the Administrator, in consultation with the applicable
5 State authority, shall from the amount calculated under paragraph (3) for such year, carry
6 out the purpose described in paragraph (2) in such State for such year.

7 “(2) SPECIFIED USE.—The amount described in paragraph (3), with respect to a State
8 described in paragraph (5) for 2023, 2024, or 2025, shall be used to carry out the purpose
9 described in section 1352(a)(1) in such State for such year, as applicable, by providing
10 reinsurance payments to health insurance issuers with respect to attachment range claims (as
11 defined in section 1354(b)(2), using the dollar amounts specified in subparagraph (B) of
12 such section for such year) in an amount equal to, subject to paragraph (4), the percentage
13 (specified for such year by the Secretary under such subparagraph) of the amount of such
14 claims.

15 “(3) AMOUNT DESCRIBED.—The amount described in this paragraph, with respect to
16 2023, 2024, or 2025, is the amount equal to the total sum of amounts that the Secretary
17 would otherwise estimate under section 1354(b)(2)(A)(i) for such year for each State
18 described in paragraph (5) for such year, as applicable, if each such State were not so
19 described for such year.

20 “(4) ADJUSTMENT.—For purposes of this subsection, the Secretary may apply a
21 percentage under paragraph (3) with respect to a year that is less than the percentage
22 otherwise specified in section 1354(b)(2)(B) for such year, if the cost of paying the total
23 eligible attachment range claims for States described in paragraph (5) for such year at such
24 percentage otherwise specified would exceed the amount calculated under paragraph (3) for
25 such year.

26 “(5) STATE DESCRIBED.—A State described in this paragraph, with respect to years 2023,
27 2024, and 2025, is a State that, as of January 1 of 2022, 2023, or 2024, respectively, was not
28 expending amounts under the State plan (or waiver of such plan) for all individuals
29 described in section 1902(a)(10)(A)(i)(VIII) during such year.

30 “SEC. 1354. ALLOCATIONS.

31 “(a) Appropriation.—In addition to amounts otherwise available, there is appropriated, out of
32 any money in the Treasury not otherwise appropriated, \$10,000,000,000 for 2023 and each
33 subsequent year through 2025 to provide allocations for States under subsection (b) and
34 payments under section 1353(b).

35 “(b) Allocations.—

36 “(1) PAYMENT.—

37 “(A) IN GENERAL.—From amounts appropriated under subsection (a) for a year, the
38 Secretary shall, with respect to a State not described in section 1353(b) for such year
39 and not later than the date specified under subparagraph (B) for such year, allocate for
40 such State the amount determined for such State and year under paragraph (2).

41 “(B) SPECIFIED DATE.—For purposes of subparagraph (A), the date specified in this

1 subparagraph is—

2 “(i) for 2023, the date that is 90 days after the date of the enactment of this part;
3 and

4 “(ii) for 2024 or 2025, January 1 of the previous year.

5 “(C) NOTIFICATIONS OF ALLOCATION AMOUNTS.—For 2024 and 2025, the Secretary
6 shall notify each State of the amount determined for such State under paragraph (2) for
7 such year by not later than January 1 of the previous year.

8 “(2) ALLOCATION AMOUNT DETERMINATIONS.—

9 “(A) IN GENERAL.—For purposes of paragraph (1), the amount determined under
10 this paragraph for a year for a State described in paragraph (1)(A) for such year is the
11 amount equal to—

12 “(i) the amount that the Secretary estimates would be expended under this part
13 for such year on attachment range claims of individuals residing in such State if
14 such State used such funds only for the purpose described in paragraph (1) of
15 section 1352(a) at the dollar amounts and percentage specified under
16 subparagraph (B) for such year; minus

17 “(ii) the amount, if any, by which the Secretary determines—

18 “(I) the estimated amount of premium tax credits under section 36B of the
19 Internal Revenue Code of 1986 that would be attributable to individuals
20 residing in such State for such year without application of this part; exceeds

21 “(II) the estimated amount of premium tax credits under section 36B of the
22 Internal Revenue Code of 1986 that would be attributable to individuals
23 residing in such State for such year if section 1353(b) applied for such year
24 and applied with respect to such State for such year.

25 For purposes of the previous sentence and section 1353(b)(3), the term ‘attachment
26 range claims’ means, with respect to an individual, the claims for such individual that
27 exceed a dollar amount specified by the Secretary for a year, but do not exceed a
28 ceiling dollar amount specified by the Secretary for such year, under subparagraph (B).

29 “(B) SPECIFICATIONS.—For purposes of subparagraph (A) and section 1353(b)(3),
30 the Secretary shall determine the dollar amounts and the percentage to be specified
31 under this subparagraph for a year in a manner to ensure that the total amount of
32 expenditures under this part for such year is estimated to equal the total amount
33 appropriated for such year under subsection (a) if such expenditures were used solely
34 for the purpose described in paragraph (1) of section 1352(a) for attachment range
35 claims at the dollar amounts and percentage so specified for such year.

36 “(3) AVAILABILITY.—Funds allocated to a State under this subsection for a year shall
37 remain available through the end of the subsequent year.”.

38 (b) Basic Health Program Funding Adjustments.—Section 1331 of the Patient Protection and
39 Affordable Care Act (42 U.S.C. 18051) is amended—

40 (1) in subsection (a), by adding at the end the following new paragraph:

1 “(3) PROVISION OF INFORMATION ON QUALIFIED HEALTH PLAN PREMIUMS.—

2 “(A) IN GENERAL.—For plan years beginning on or after January 1, 2023, the
3 program described in paragraph (1) shall provide that a State may not establish a basic
4 health program unless such State furnishes to the Secretary, with respect to each
5 qualified health plan offered in such State during a year that receives any reinsurance
6 payment from funds made available under part 6 for such year, the adjusted premium
7 amount (as defined in subparagraph (B)) for each such plan and year.

8 “(B) ADJUSTED PREMIUM AMOUNT DEFINED.—For purposes of subparagraph (A), the
9 term ‘adjusted premium amount’ means, with respect to a qualified health plan and a
10 year, the monthly premium for such plan and year that would have applied had such
11 plan not received any payments described in subparagraph (A) for such year.”; and

12 (2) in subsection (d)(3)(A)(ii), by adding at the end the following new sentence: “In
13 making such determination, the Secretary shall calculate the value of such premium tax
14 credits that would have been provided to such individuals enrolled through a basic health
15 program established by a State during a year using the adjusted premium amounts (as
16 defined in subsection (a)(3)(B)) for qualified health plans offered in such State during such
17 year.”.

18 (c) Implementation Authority.—The Secretary of Health and Human Services may implement
19 the provisions of, and the amendments made by, this section by subregulatory guidance or
20 otherwise.

21 **SEC. 30603. FUNDING FOR THE PROVISION OF HEALTH** 22 **INSURANCE CONSUMER INFORMATION.**

23 Section 2793(e) of the Public Health Service Act (42 U.S.C. 300gg–93(e)) is amended by
24 adding at the end the following new paragraph:

25 “(3) FUNDING FOR 2022 THROUGH 2025.—In addition to amounts otherwise available,
26 there is appropriated, out of any money in the Treasury not otherwise appropriated,
27 \$100,000,000 for 2022, to remain available until expended, of which \$25,000,000 shall be
28 used for each of 2022 through 2025 to carry out this section.”.

29 **SEC. 30604. REQUIREMENTS WITH RESPECT TO** 30 **COST-SHARING FOR INSULIN PRODUCTS.**

31 (a) In General.—Part D of title XXVII of the Public Health Service Act (42 U.S.C.
32 300gg–111 et seq.) is amended by adding at the end the following:

33 **“SEC. 2799A–11. REQUIREMENTS WITH RESPECT TO** 34 **COST-SHARING FOR CERTAIN INSULIN PRODUCTS.**

35 “(a) In General.—For plan years beginning on or after January 1, 2023, a group health
36 plan or health insurance issuer offering group or individual health insurance coverage
37 shall provide coverage of selected insulin products, and with respect to such products, shall
38 not—

1 “(1) apply any deductible; or

2 “(2) impose any cost-sharing in excess of the lesser of, per 30-day supply—

3 “(A) \$35; or

4 “(B) the amount equal to 25 percent of the negotiated price of the selected
5 insulin product net of all price concessions received by or on behalf of the plan or
6 coverage, including price concessions received by or on behalf of third-party
7 entities providing services to the plan or coverage, such as pharmacy benefit
8 management services.

9 “(b) Definitions.—In this section:

10 “(1) **SELECTED INSULIN PRODUCTS.**—The term ‘selected insulin products’ means at
11 least one of each dosage form (such as vial, pump, or inhaler dosage forms) of each
12 different type (such as rapid-acting, short-acting, intermediate-acting, long-acting,
13 ultra long-acting, and premixed) of insulin (as defined below), when available, as
14 selected by the group health plan or health insurance issuer.

15 “(2) **INSULIN DEFINED.**—The term ‘insulin’ means insulin that is licensed under
16 subsection (a) or (k) of section 351 and continues to be marketed under such section,
17 including any insulin product that has been deemed to be licensed under section 351(a)
18 pursuant to section 7002(e)(4) of the Biologics Price Competition and Innovation Act
19 of 2009 and continues to be marketed pursuant to such licensure.

20 “(c) **Out-of-network Providers.**—Nothing in this section requires a plan or issuer that
21 has a network of providers to provide benefits for selected insulin products described in
22 this section that are delivered by an out-of-network provider, or precludes a plan or issuer
23 that has a network of providers from imposing higher cost-sharing than the levels specified
24 in subsection (a) for selected insulin products described in this section that are delivered by
25 an out-of-network provider.

26 “(d) **Rule of Construction.**—Subsection (a) shall not be construed to require coverage of,
27 or prevent a group health plan or health insurance coverage from imposing cost-sharing
28 other than the levels specified in subsection (a) on, insulin products that are not selected
29 insulin products, to the extent that such coverage is not otherwise required and such
30 cost-sharing is otherwise permitted under Federal and applicable State law.

31 “(e) **Application of Cost-sharing Towards Deductibles and Out-of-pocket**
32 **Maximums.**—Any cost-sharing payments made pursuant to subsection (a)(2) shall be
33 counted toward any deductible or out-of-pocket maximum that applies under the plan or
34 coverage.”.

35 (b) **No Effect on Other Cost-sharing.**—Section 1302(d)(2) of the Patient Protection and
36 Affordable Care Act (42 U.S.C. 18022(d)(2)) is amended by adding at the end the following
37 new subparagraph:

38 “(D) **SPECIAL RULE RELATING TO INSULIN COVERAGE.**—The exemption of
39 coverage of selected insulin products (as defined in section 2799A–11(b) of the
40 Public Health Service Act) from the application of any deductible pursuant to
41 section 2799A–11(a)(1) of such Act, section 726(a)(1) of the Employee Retirement
42 Income Security Act of 1974, or section 9826(a)(1) of the Internal Revenue Code

1 of 1986 shall not be considered when determining the actuarial value of a
2 qualified health plan under this subsection.”.

3 (c) Coverage of Certain Insulin Products Under Catastrophic Plans.—Section 1302(e) of
4 the Patient Protection and Affordable Care Act (42 U.S.C. 18022(e)) is amended by adding
5 at the end the following:

6 “(4) COVERAGE OF CERTAIN INSULIN PRODUCTS.—

7 “(A) IN GENERAL.—Notwithstanding paragraph (1)(B)(i), a health plan
8 described in paragraph (1) shall provide coverage of selected insulin products, in
9 accordance with section 2799A–11 of the Public Health Service Act, for a plan
10 year before an enrolled individual has incurred cost-sharing expenses in an
11 amount equal to the annual limitation in effect under subsection (c)(1) for the
12 plan year.

13 “(B) TERMINOLOGY.—For purposes of subparagraph (A)—

14 “(i) the term ‘selected insulin products’ has the meaning given such term
15 in section 2799A–11(b) of the Public Health Service Act; and

16 “(ii) the requirements of section 2799A–11 of such Act shall be applied by
17 deeming each reference in such section to ‘individual health insurance
18 coverage’ to be a reference to a plan described in paragraph (1).”.

19 SEC. 30605. COST-SHARING REDUCTIONS FOR 20 INDIVIDUALS RECEIVING UNEMPLOYMENT 21 COMPENSATION.

22 Section 1402(f) of the Patient Protection and Affordable Care Act (42 U.S.C. 18071(f)) is
23 amended—

24 (1) in the header, by striking “2021” and inserting “Certain Years”;

25 (2) in the matter preceding paragraph (1), by striking “2021” and inserting “any of years
26 2021 through ~~2025~~; 2022”; and

27 (3) in paragraph (2), by striking “133 percent” and inserting “150 percent”.

28 SEC. 30606. OVERSIGHT OF PHARMACY BENEFIT 29 MANAGER SERVICES.

30 (a) In General.—Title XXVII of the Public Health Service Act (42 U.S.C. 300gg et seq.),
31 as amended by section 30604, is further amended—

32 (1) in part D (42 U.S.C. 300gg–111 et seq.), by adding at the end the following new
33 section:

34 “SEC. 2799A–12. OVERSIGHT OF PHARMACY 35 BENEFIT MANAGER SERVICES.

36 “(a) In General.—For plan years beginning on or after January 1, 2023, a group health

1 plan or health insurance issuer offering group health insurance coverage or an entity or
2 subsidiary providing pharmacy benefits management services on behalf of such a plan or
3 issuer shall not enter into a contract with a drug manufacturer, distributor, wholesaler,
4 subcontractor, rebate aggregator, or any associated third party that limits the disclosure of
5 information to plan sponsors in such a manner that prevents the plan or issuer, or an entity
6 or subsidiary providing pharmacy benefits management services on behalf of a plan or
7 issuer, from making the reports described in subsection (b).

8 **“(b) Reports.—**

9 **“(1) IN GENERAL.—**For plan years beginning on or after January 1, 2023, not less
10 frequently than once every 6 months, a health insurance issuer offering group health
11 insurance coverage or an entity providing pharmacy benefits management services on
12 behalf of a group health plan or an issuer providing group health insurance coverage
13 shall submit to the plan sponsor (as defined in section 3(16)(B) of the Employee
14 Retirement Income Security Act of 1974) of such group health plan or health
15 insurance coverage a report in accordance with this subsection and make such report
16 available to the plan sponsor in a machine-readable format. Each such report shall
17 include, with respect to the applicable group health plan or health insurance
18 coverage—

19 **“(A) as applicable, information collected from drug manufacturers by such**
20 **issuer or entity on the total amount of copayment assistance dollars paid, or**
21 **copayment cards applied, that were funded by the drug manufacturer with**
22 **respect to the participants and beneficiaries in such plan or coverage;**

23 **“(B) a list of each drug covered by such plan, issuer, or entity providing**
24 **pharmacy benefit management services that was dispensed during the reporting**
25 **period, including, with respect to each such drug during the reporting period—**

26 **“(i) the brand name, chemical entity, and National Drug Code;**

27 **“(ii) the number of participants and beneficiaries for whom the drug was**
28 **filled during the plan year, the total number of prescription fills for the drug**
29 **(including original prescriptions and refills), and the total number of dosage**
30 **units of the drug dispensed across the plan year, including whether the**
31 **dispensing channel was by retail, mail order, or specialty pharmacy;**

32 **“(iii) the wholesale acquisition cost, listed as cost per days supply and cost**
33 **per pill, or in the case of a drug in another form, per dose;**

34 **“(iv) the total out-of-pocket spending by participants and beneficiaries on**
35 **such drug, including participant and beneficiary spending through**
36 **copayments, coinsurance, and deductibles; and**

37 **“(v) for any drug for which gross spending of the group health plan or**
38 **health insurance coverage exceeded \$10,000 during the reporting period—**

39 **“(I) a list of all other drugs in the same therapeutic category or class,**
40 **including brand name drugs and biological products and generic drugs**
41 **or biosimilar biological products that are in the same therapeutic**
42 **category or class as such drug; and**

1 **“(II) the rationale for preferred formulary placement of such drug in**
2 **that therapeutic category or class;**

3 **“(C) a list of each therapeutic category or class of drugs that were dispensed**
4 **under the health plan or health insurance coverage during the reporting period,**
5 **and, with respect to each such therapeutic category or class of drugs, during the**
6 **reporting period—**

7 **“(i) total gross spending by the plan, before manufacturer rebates, fees, or**
8 **other manufacturer remuneration;**

9 **“(ii) the number of participants and beneficiaries who filled a prescription**
10 **for a drug in that category or class;**

11 **“(iii) if applicable to that category or class, a description of the formulary**
12 **tiers and utilization mechanisms (such as prior authorization or step**
13 **therapy) employed for drugs in that category or class;**

14 **“(iv) the total out-of-pocket spending by participants and beneficiaries,**
15 **including participant and beneficiary spending through copayments,**
16 **coinsurance, and deductibles; and**

17 **“(v) for each therapeutic category or class under which 3 or more drugs**
18 **are included on the formulary of such plan or coverage—**

19 **“(I) the amount received, or expected to be received, from drug**
20 **manufacturers in rebates, fees, alternative discounts, or other**
21 **remuneration—**

22 **“(aa) to be paid by drug manufacturers for claims incurred**
23 **during the reporting period; or**

24 **“(bb) that is related to utilization of drugs, in such therapeutic**
25 **category or class;**

26 **“(II) the total net spending, after deducting rebates, price concessions,**
27 **alternative discounts or other remuneration from drug manufacturers,**
28 **by the health plan or health insurance coverage on that category or class**
29 **of drugs; and**

30 **“(III) the net price per course of treatment or single fill, such as a**
31 **30-day supply or 90-day supply, incurred by the health plan or health**
32 **insurance coverage and its participants and beneficiaries, after**
33 **manufacturer rebates, fees, and other remuneration for drugs dispensed**
34 **within such therapeutic category or class during the reporting period;**

35 **“(D) total gross spending on prescription drugs by the plan or coverage during**
36 **the reporting period, before rebates and other manufacturer fees or**
37 **remuneration;**

38 **“(E) total amount received, or expected to be received, by the health plan or**
39 **health insurance coverage in drug manufacturer rebates, fees, alternative**
40 **discounts, and all other remuneration received from the manufacturer or any**
41 **third party, other than the plan sponsor, related to utilization of drug or drug**

1 spending under that health plan or health insurance coverage during the
2 reporting period;

3 “(F) the total net spending on prescription drugs by the health plan or health
4 insurance coverage during the reporting period; and

5 “(G) amounts paid directly or indirectly in rebates, fees, or any other type of
6 remuneration to brokers, consultants, advisors, or any other individual or firm
7 who referred the group health plan’s or health insurance issuer’s business to the
8 pharmacy benefit manager.

9 “(2) **PRIVACY REQUIREMENTS.**—Health insurance issuers offering group health
10 insurance coverage and entities providing pharmacy benefits management services on
11 behalf of a group health plan shall provide information under paragraph (1) in a
12 manner consistent with the privacy, security, and breach notification regulations
13 promulgated under section 264(c) of the Health Insurance Portability and
14 Accountability Act of 1996, and shall restrict the use and disclosure of such
15 information according to such privacy regulations.

16 “(3) **DISCLOSURE AND REDISCLOSURE.**—

17 “(A) **LIMITATION TO BUSINESS ASSOCIATES.**—A group health plan receiving a
18 report under paragraph (1) may disclose such information only to business
19 associates of such plan as defined in section 160.103 of title 45, Code of Federal
20 Regulations (or successor regulations).

21 “(B) **CLARIFICATION REGARDING PUBLIC DISCLOSURE OF**
22 **INFORMATION.**—Nothing in this section prevents a health insurance issuer
23 offering group health insurance coverage or an entity providing pharmacy
24 benefits management services on behalf of a group health plan from placing
25 reasonable restrictions on the public disclosure of the information contained in a
26 report described in paragraph (1), except that such issuer or entity may not
27 restrict disclosure of such report to the Department of Health and Human
28 Services, the Department of Labor, or the Department of the Treasury.

29 “(C) **LIMITED FORM OF REPORT.**—The Secretary shall define through
30 rulemaking a limited form of the report under paragraph (1) required of plan
31 sponsors who are drug manufacturers, drug wholesalers, or other direct
32 participants in the drug supply chain, in order to prevent anti-competitive
33 behavior.

34 “(4) **REPORT TO GAO.**—A health insurance issuer offering group health insurance
35 coverage or an entity providing pharmacy benefits management services on behalf of a
36 group health plan shall submit to the Comptroller General of the United States each of
37 the first 4 reports submitted to a plan sponsor under paragraph (1) with respect to
38 such coverage or plan, and other such reports as requested, in accordance with the
39 privacy requirements under paragraph (2) and the disclosure and redisclosure
40 standards under paragraph (3), and such other information that the Comptroller
41 General determines necessary to carry out the study under section 30606(b) of An Act
42 to provide for reconciliation pursuant to title II of S. Con. Res. 14.

43 “(c) **Enforcement.**—

1 **“(1) IN GENERAL.—The Secretary, in consultation with the Secretary of Labor and**
2 **the Secretary of the Treasury, shall enforce this section.**

3 **“(2) FAILURE TO PROVIDE TIMELY INFORMATION.—A health insurance issuer or an**
4 **entity providing pharmacy benefit management services that violates subsection (a) or**
5 **fails to provide information required under subsection (b), or a drug manufacturer**
6 **that fails to provide information under subsection (b)(1)(A) in a timely manner, shall**
7 **be subject to a civil monetary penalty in the amount of \$10,000 for each day during**
8 **which such violation continues or such information is not disclosed or reported.**

9 **“(3) FALSE INFORMATION.—A health insurance issuer, entity providing pharmacy**
10 **benefit management services, or drug manufacturer that knowingly provides false**
11 **information under this section shall be subject to a civil money penalty in an amount**
12 **not to exceed \$100,000 for each item of false information. Such civil money penalty**
13 **shall be in addition to other penalties as may be prescribed by law.**

14 **“(4) PROCEDURE.—The provisions of section 1128A of the Social Security Act, other**
15 **than subsection (a) and (b) and the first sentence of subsection (c)(1) of such section**
16 **shall apply to civil monetary penalties under this subsection in the same manner as**
17 **such provisions apply to a penalty or proceeding under section 1128A of the Social**
18 **Security Act.**

19 **“(5) WAIVERS.—The Secretary may waive penalties under paragraph (2), or extend**
20 **the period of time for compliance with a requirement of this section, for an entity in**
21 **violation of this section that has made a good-faith effort to comply with this section.**

22 **“(d) Rule of Construction.—Nothing in this section shall be construed to permit a health**
23 **insurance issuer, group health plan, or other entity to restrict disclosure to, or otherwise**
24 **limit the access of, the Department of Health and Human Services to a report described in**
25 **subsection (b)(1) or information related to compliance with subsection (a) by such issuer,**
26 **plan, or entity.**

27 **“(e) Definition.—In this section, the term ‘wholesale acquisition cost’ has the meaning**
28 **given such term in section 1847A(c)(6)(B) of the Social Security Act.”; and**

29 **(2) in section 2723 (42 U.S.C. 300gg–22)—**

30 **(A) in subsection (a)—**

31 **(i) in paragraph (1), by inserting “(other than subsections (a) and (b) of**
32 **section 2799A–12)” after “part D”; and**

33 **(ii) in paragraph (2), by inserting “(other than subsections (a) and (b) of**
34 **section 2799A–12)” after “part D”;**

35 **(B) in subsection (b)—**

36 **(i) in paragraph (1), by inserting “(other than subsections (a) and (b) of**
37 **section 2799A–12)” after “part D”;**

38 **(ii) in paragraph (2)(A), by inserting “(other than subsections (a) and (b) of**
39 **section 2799A–12)” after “part D”; and**

40 **(iii) in paragraph (2)(C)(ii), by inserting “(other than subsections (a) and**

1 (b) of section 2799A–12)” after “part D”.

2 (b) GAO Study.—

3 (1) IN GENERAL.—Not later than 3 years after the date of enactment of this Act, the
4 Comptroller General of the United States shall report to Congress on—

5 (A) pharmacy networks of group health plans, health insurance issuers, and
6 entities providing pharmacy benefit management services under such group
7 health plan or group or individual health insurance coverage, including networks
8 that have pharmacies that are under common ownership (in whole or part) with
9 group health plans, health insurance issuers, or entities providing pharmacy
10 benefit management services or pharmacy benefit administrative services under
11 group health plan or group or individual health insurance coverage;

12 (B) as it relates to pharmacy networks that include pharmacies under common
13 ownership described in subparagraph (A)—

14 (i) whether such networks are designed to encourage enrollees of a plan or
15 coverage to use such pharmacies over other network pharmacies for specific
16 services or drugs, and if so, the reasons the networks give for encouraging
17 use of such pharmacies; and

18 (ii) whether such pharmacies are used by enrollees disproportionately
19 more in the aggregate or for specific services or drugs compared to other
20 network pharmacies;

21 (C) whether group health plans and health insurance issuers offering group or
22 individual health insurance coverage have options to elect different network
23 pricing arrangements in the marketplace with entities that provide pharmacy
24 benefit management services, the prevalence of electing such different network
25 pricing arrangements;

26 (D) pharmacy network design parameters that encourage enrollees in the plan
27 or coverage to fill prescriptions at mail order, specialty, or retail pharmacies that
28 are wholly or partially-owned by that issuer or entity; and

29 (E) the degree to which mail order, specialty, or retail pharmacies that dispense
30 prescription drugs to an enrollee in a group health plan or health insurance
31 coverage that are under common ownership (in whole or part) with group health
32 plans, health insurance issuers, or entities providing pharmacy benefit
33 management services or pharmacy benefit administrative services under group
34 health plan or group or individual health insurance coverage receive
35 reimbursement that is greater than the median price charged to the group health
36 plan or health insurance issuer when the same drug is dispensed to enrollees in
37 the plan or coverage by other pharmacies included in the pharmacy network of
38 that plan, issuer, or entity that are not wholly or partially owned by the health
39 insurance issuer or entity providing pharmacy benefit management services.

40 (2) REQUIREMENT.—The Comptroller General of the United States shall ensure that
41 the report under paragraph (1) does not contain information that would allow a
42 reader to identify a specific plan or entity providing pharmacy benefits management

1 services or otherwise contain commercial or financial information that is privileged or
2 confidential.

3 (3) DEFINITIONS.—In this subsection, the terms “group health plan”, “health
4 insurance coverage”, and “health insurance issuer” have the meanings given such
5 terms in section 2791 of the Public Health Service Act (42 U.S.C. 300gg–91).

6 **SEC. 30607. FUNDING TO SUPPORT STATE** 7 **APPLICATIONS FOR SECTION 1332 WAIVERS AND** 8 **ADMINISTRATION.**

9 Section 1332 of the Patient Protection and Affordable Care Act (42 U.S.C. 18052) is
10 amended by adding at the end the following:

11 “(f) Administration and Planning Grants.—

12 “(1) APPROPRIATION.—In addition to any other amounts made available, there is
13 appropriated to the Secretary of Health and Human Services for fiscal year 2022, out
14 of any amounts in the Treasury not otherwise appropriated, \$50,000,000, to remain
15 available until expended, for purposes of implementing the grant program under
16 paragraph (2) and awarding grants under such paragraph.

17 “(2) GRANTS.—From the amount appropriated under paragraph (1), the Secretary
18 of Health and Human Services shall award grants to States for purposes of developing
19 a new waiver application, preparing an application for a waiver extension or
20 amendment, or implementing a State plan under this section. The amount of a grant
21 awarded to a State under this subsection shall remain available until expended.

22 “(3) LIMITATION.—Each grant awarded to a State under this subsection shall be in
23 an amount not to exceed \$5,000,000.”

24 **** 2 SEC. ~~30724~~ 30608. ADJUSTMENTS TO** 25 **UNCOMPENSATED CARE POOLS AND** 26 **DISPROPORTIONATE SHARE HOSPITAL PAYMENTS.**

27 **** 3** (a) Adjustments to Uncompensated Care Pools.—Section 1903 of the Social Security Act
28 (42 U.S.C. 1396b) is amended by adding at the end the following new subsection:

29 **** 4** “(cc) Excluding Expenditures for Expansion Population From Assistance Under Waivers
30 Relating to Uncompensated Care.—With respect to a State with a State plan (or waiver of such
31 plan) that does not provide, with respect to a fiscal year (beginning with fiscal year 2023), to all
32 individuals described in section 1902(a)(10)(A)(i)(VIII) benchmark coverage described in
33 section 1937(b)(1) or benchmark equivalent coverage described in section 1937(b)(2), in the case
34 of any experimental, pilot, or demonstration project undertaken under section 1115(a), with
35 respect to such State and fiscal year, that provides for Federal ~~assistance~~ **financial participation**
36 with respect to **expenditures for payments for expenditures associated with to providers for**
37 **otherwise** uncompensated care that is furnished ~~for~~ **to** low-income individuals, uninsured
38 individuals, or underinsured individuals, **notwithstanding any waiver authority available**
39 **under such section**, such project shall exclude from ~~the determination of such~~ **Federal financial**

1 **participation any** expenditures ~~any~~ for care that is furnished with respect to such fiscal year to
2 individuals described in section 1902(a)(10)(A)(i)(VIII).”.

3 **(b) Adjustments to Disproportionate Share Hospital Payments.—**

4 **(1) IN GENERAL.—Section 1923(f) of the Social Security Act (42 U.S.C.1396r–4(f)) is**
5 **amended—**

6 **** 5** ~~(4)~~(A) in paragraph (3)(A), by striking “paragraphs (6), (7), and (8)” and
7 inserting “paragraphs (6), (7), (8), and (10)”;

8 **** 6** ~~(2)~~(B) in paragraph (6)(A)(vi), by inserting “(except paragraph (10))” before “,
9 any other provision of law”;

10 **(C) in paragraph (7)(A)(i), by inserting “without regard to paragraph (10),”**
11 **before “the Secretary”; and**

12 **(D) by adding at the end the following new paragraph:**

13 **“(10) STATE DSH ALLOTMENTS FOR NON-EXPANSION STATES BEGINNING WITH FISCAL**
14 **YEAR 2023.—**

15 **“(A) IN GENERAL.—For fiscal year 2023 and each subsequent fiscal year—**

16 **** 7** “(i) in the case of a State with a State plan (or waiver of such plan) that,
17 with respect to such fiscal year, does not provide to all individuals described in
18 section 1902(a)(10)(A)(i)(VIII) benchmark coverage described in section
19 1937(b)(1) or benchmark equivalent coverage described in section 1937(b)(2), **the**
20 **Secretary shall reduce** the DSH allotment ~~for such~~ **to the** State for such fiscal
21 year **is in the amount** equal to ~~87.5~~ **12.5** percent of the DSH allotment that would
22 ~~(without~~**(after the application of paragraph (6), and without the** application of
23 paragraphs ~~(6),(7),~~ (8), or this paragraph) be determined under this subsection for
24 the State for ~~such~~ fiscal year ~~2023~~;

25 **“(ii) in the case of a State with a State plan (or waiver of such plan) that,**
26 **with respect to such fiscal year, initially provides to all individuals described**
27 **in section 1902(a)(10)(A)(i)(VIII) benchmark coverage described in**
28 **1937(b)(1) or benchmark equivalent coverage described in section 1937(b)(2),**
29 **but during such fiscal year stops providing to any such individual such**
30 **benchmark or benchmark equivalent coverage, the Secretary shall reduce**
31 **the DSH allotment to the State for such fiscal year in the amount equal to the**
32 **product of—**

33 **“(I) 12.5 percent of the DSH allotment that would (after the**
34 **application of paragraph (6), and without the application of paragraphs**
35 **(7), (8), or this paragraph) be determined under this subsection for the**
36 **State for such fiscal year; and**

37 **** 8** “(II) expressed as a percentage, the number of days of a **such** fiscal
38 year during which such State plan (or waiver of such plan) ~~includes,~~ with
39 respect to a **such** fiscal year, ~~the providing~~ **did not provide** to such
40 individuals such benchmark coverage or ~~such~~ benchmark equivalent
41 coverage; or

1 “(iii) in the case of a State with a State plan (or waiver of such plan) that,
2 with respect to such fiscal year, either—

3 “(I) initially does not provide to all individuals described in section
4 1902(a)(10)(A)(i)(VIII) benchmark coverage described in 1937(b)(1) or
5 benchmark equivalent coverage described in section 1937(b)(2), but
6 during the fiscal year establishes a State plan (or waiver of such plan)
7 that provides, for the remainder of the fiscal year, all such individuals
8 such benchmark or benchmark equivalent coverage; or

9 “(II) did not provide to all such individuals such benchmark or
10 benchmark equivalent coverage during the fiscal year preceding such
11 fiscal year described in the matter preceding subclause (I), but on the
12 first day of such fiscal year establishes a State plan (or waiver of such
13 plan) that provides, for the entirety of such fiscal year, all such
14 individuals such benchmark or benchmark equivalent coverage;

15 the DSH allotment for such State for such fiscal year is equal to the DSH
16 allotment under this subsection (without application of this paragraph) for
17 the State for the entirety of such fiscal year.

18 “(B) CALCULATION OF DSH ALLOTMENTS AFTER EXPANSION PERIOD.—The DSH
19 allotment for a State for fiscal years after which a State provides under a State
20 plan (or waiver of such plan) to all individuals described in section
21 1902(a)(10)(A)(i)(VIII) benchmark coverage described in section 1937(b)(1) or
22 benchmark equivalent coverage described in section 1937(b)(2) and, for which the
23 State continues to provide under the State plan (or waiver of such plan) such
24 benchmark or benchmark equivalent coverage to such individuals, without the
25 providing of such benchmark or benchmark equivalent coverage being stopped
26 during a fiscal year (as described in the matter preceding subclause (I) of
27 subparagraph (A)(ii)), shall be calculated under paragraph (3) without regard to
28 this paragraph.”.

29 (2) TECHNICAL AMENDMENT.—Section 1923(f)(7)(A)(i)(II) of the Social Security Act
30 (42 U.S.C.1396r-4(f)(7)(A)(i)(II)) is amended by adding at period at the end.

31 **** 9 SEC. ~~30743~~ 30609. FURTHER INCREASE IN FMAP**
32 **FOR MEDICAL ASSISTANCE FOR NEWLY ELIGIBLE**
33 **MANDATORY INDIVIDUALS.**

34 ** 10 Section 1905(y)(1) of the Social Security Act (42 U.S.C. 1396d(y)(1)) is amended—

35 (1) in subparagraph (D), by striking at the end “and”;

36 ** 11 (2) in subparagraph (E), by striking “2020 and each year thereafter.” and inserting
37 “2020, 2021, and 2022; and”; and

38 (3) by adding at the end the following new subparagraphs:

39 “(F) 93 percent for calendar quarters in 2023, 2024, and 2025; and

40 “(G) 90 percent for calendar quarters in 2026 and each year thereafter.”.

1 Subtitle F—Medicaid

2 PART 1—INVESTMENTS IN HOME AND
3 COMMUNITY-BASED SERVICES AND LONG-TERM
4 CARE QUALITY AND WORKFORCE

5 SEC. 30711. HCBS IMPROVEMENT PLANNING GRANTS.

6 (a) Funding.—

7 (1) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the
8 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
9 \$130,000,000, to remain available until expended, for carrying out this section.

10 (2) TECHNICAL ASSISTANCE AND GUIDANCE.—In addition to amounts otherwise available,
11 there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury
12 not otherwise appropriated, \$5,000,000, **to remain available until expended**, for purposes
13 of issuing guidance and providing technical assistance to States intending to apply for, or
14 which are awarded, a planning grant under this section, and for other administrative
15 expenses related to awarding planning grants under this section.

16 (b) Award and Use of Grants.—

17 (1) DEADLINE FOR AWARD OF GRANTS.—From the amount appropriated under subsection
18 (a)(1), the Secretary, not later than 12 months after the date of enactment of this Act, shall
19 solicit State requests for HCBS improvement planning grants and award such grants to all
20 States that meet such requirements as determined by the Secretary.

21 (2) USE OF FUNDS.—Subject to paragraph (3), a State awarded a planning grant under this
22 section shall use the grant to carry out planning activities for purposes of developing and
23 submitting to the Secretary an HCBS improvement plan for the State that meets the
24 requirements of subsections (c) and (d). A State may use planning grant funds to support
25 activities related to the implementation of the HCBS improvement plan for the State, collect
26 and report information described in subsection (c), identify areas for improvement to the
27 service delivery systems for home and community-based services, carry out activities
28 related to evaluating payment rates for home and community-based services and identifying
29 improvements to update the rate setting process, and make related infrastructure
30 investments (such as case management or other information technology systems).

31 (3) LIMITATION ON USE OF FUNDS.—None of the funds awarded to a State under this
32 section may be used by a State as the source of the non-Federal share of expenditures under
33 the State plan (or waiver of such plan).

34 (c) HCBS Improvement Plan Requirements.—In order to meet the requirements of this
35 subsection, an HCBS improvement plan developed using funds awarded to a State under this
36 section shall include, with respect to the State and subject to subsection (d), the following:

37 (1) EXISTING MEDICAID HCBS LANDSCAPE.—

38 (A) ELIGIBILITY AND BENEFITS.—A description of the existing standards, pathways,
39 and methodologies for eligibility for home and community-based services pursuant to

1 the State plan (or waiver of such plan), including limits on assets and income, the
2 home and community-based services available under the State Medicaid program and
3 the types of settings in which they may be provided, and utilization management
4 standards for such services.

5 (B) ACCESS.—

6 (i) BARRIERS.—A description of the barriers to accessing home and
7 community-based services in the State identified by Medicaid eligible individuals,
8 the families of such individuals, and direct care workers and home care agencies,
9 or other similar organizations.

10 (ii) AVAILABILITY; UNMET NEED.—A summary, in accordance with guidance
11 issued by the Secretary and as able to be practicably determined by the State, of
12 the extent to which home and community-based services are available to all
13 individuals in the State who would be eligible for such services under the State
14 Medicaid program (including individuals who are on a waiting list for such
15 services).

16 (C) UTILIZATION.—An assessment of the utilization of home and community-based
17 services in the State (including the number of individuals receiving such services)
18 during such period specified by the Secretary.

19 (D) SERVICE DELIVERY STRUCTURES AND SUPPORTS.—A description of the service
20 delivery structures for providing home and community-based services in the State.

21 (E) WORKFORCE.—A description of the direct care workforce, including estimates
22 of the number of full- and part-time direct care workers, the average and range of
23 direct care worker wages, the benefits provided to direct care workers, and the turnover
24 and vacancy rates of direct care worker positions.

25 (F) PAYMENT RATES.—

26 (i) IN GENERAL.—A description of the payment rates for home and
27 community-based services, including, to the extent applicable, how payments for
28 such services are factored into the development of managed care capitation rates,
29 when the State last updated payment rates for home and community-based
30 services, and an estimate of the portion of the payment rate that goes toward
31 direct care worker compensation.

32 (ii) ASSESSMENT.—An assessment of the relationship between payment rates
33 for such services and workforce shortages, average beneficiary wait times for
34 such services, and provider-to-beneficiary ratios in the geographic region.

35 (G) QUALITY.—A description of how the quality of home and community-based
36 services is measured and monitored.

37 (H) LONG-TERM SERVICES AND SUPPORTS PROVIDED IN INSTITUTIONAL SETTINGS.—A
38 description of the number of individuals enrolled in the State Medicaid program in a
39 year who receive items and services furnished by an institution for greater than 30 days
40 in an institutional setting.

41 (I) HCBS SHARE OF OVERALL MEDICAID LTSS SPENDING.—For the most recent State

1 fiscal year for which complete data is available, the percentage of expenditures made
2 by the State under the State Medicaid program for long-term services and supports that
3 are for home and community-based services.

4 (J) DEMOGRAPHIC DATA.—To the extent available and as applicable with respect to
5 the information required under subparagraphs (B), (C), and (H), demographic data for
6 such information, disaggregated by age groups, primary disability, income brackets,
7 gender, race, ethnicity, geography, primary language, and type of service setting.

8 (2) GOALS FOR HCBS IMPROVEMENTS.—A description of how the State will do the
9 following:

10 (A) Conduct the activities required under subsection (jj) of section 1905 of the
11 Social Security Act (as added under section 30712).

12 (B) Reduce barriers to and disparities in access or utilization of home and
13 community-based services in the State.

14 (C) Monitor and report on access to home and community-based services under the
15 State Medicaid program, disparities in access to such services, and the utilization of
16 such services.

17 (D) Monitor and report the amount of State Medicaid expenditures for home and
18 community-based services under the State Medicaid program as a proportion of the
19 total amount of State expenditures under the State Medicaid program for long-term
20 services and supports.

21 (E) Monitor and report on wages, benefits, and vacancy and turnover rates for direct
22 care workers.

23 (F) Assess and monitor the sufficiency of payment rates under the State Medicaid
24 program, in a manner specified by the Secretary, for the specific types of home and
25 community-based services available under such program for purposes of supporting
26 direct care worker recruitment and retention and ensuring the availability of home and
27 community-based services.

28 (G) Coordinate implementation of the HCBS improvement plan among the State
29 Medicaid agency, **and State health and human services** agencies serving individuals
30 with disabilities, ~~and agencies serving~~ **and** the elderly.

31 (d) Development and Approval Requirements.—

32 (1) DEVELOPMENT REQUIREMENTS.—In order to meet the requirements of this subsection,
33 a State awarded a planning grant under this section shall develop an HCBS improvement
34 plan for the State through a public notice and comment process that includes consultation
35 with Medicaid eligible individuals who are recipients of home and community-based
36 services, family caregivers of such recipients, providers, health plans, direct care workers,
37 chosen representatives of direct care workers, and aging, disability, and workforce
38 advocates.

39 (2) AUTHORITY TO ADJUST CERTAIN PLAN CONTENT REQUIREMENTS.—The Secretary may
40 modify the requirements for any of the information specified in subsection (c)(1) if a State
41 requests a modification and demonstrates to the satisfaction of the Secretary that it is

1 impracticable for the State to collect and submit the information.

2 (3) SUBMISSION AND APPROVAL.—Not later than 24 months after the date on which a
3 State is awarded a planning grant under this section, the State shall submit an HCBS
4 improvement plan for approval by the Secretary, along with assurances by the State that the
5 State will implement the plan in accordance with the requirements of the HCBS
6 Improvement Program established under subsection (jj) of section 1905 of the Social
7 Security Act (42 U.S.C. 1396d) (as added by section 30712). The Secretary shall approve
8 and make publicly available the HCBS improvement plan for a State after the plan and such
9 assurances are submitted to the Secretary for approval and the Secretary determines the plan
10 meets the requirements of subsection (c). A State may amend its HCBS improvement plan,
11 subject to the approval of the Secretary that the plan as so amended meets the requirements
12 of subsection (c). The Secretary may withhold or recoup funds provided under this section
13 to a State, if the State fails to comply with the requirements of this section.

14 (e) Definitions.—In the part:

15 (1) DIRECT CARE WORKER.—The term “direct care worker” means, with respect to a
16 State, any of the following individuals who are paid to provide directly to Medicaid eligible
17 individuals home and community-based services available under the State Medicaid
18 program:

19 (A) A registered nurse, licensed practical nurse, nurse practitioner, or clinical nurse
20 specialist, or a licensed nursing assistant who provides such services under the
21 supervision of a registered nurse, licensed practical nurse, nurse practitioner, or clinical
22 nurse specialist.

23 (B) A direct support professional.

24 (C) A personal care attendant.

25 (D) A home health aide.

26 (E) Any other paid health care professional or worker determined to be appropriate
27 by the State and approved by the Secretary.

28 (2) HCBS PROGRAM IMPROVEMENT STATE.—The term “HCBS program improvement
29 State” means a State that is awarded a planning grant under subsection (b) and has an HCBS
30 improvement plan approved by the Secretary under subsection (d)(3).

31 (3) HEALTH PLAN.—The term “health plan” means any of the following entities that
32 provide or arrange for home and community-based services for Medicaid eligible
33 individuals who are enrolled with the entities under a contract with a State:

34 (A) A medicaid managed care organization, as defined in section 1903(m)(1)(A) of
35 the Social Security Act (42 U.S.C. 1396b(m)(1)(A)).

36 (B) A prepaid inpatient health plan or prepaid ambulatory health plan, as defined in
37 section 438.2 of title 42, Code of Federal Regulations (or any successor regulation).

38 (4) HOME AND COMMUNITY-BASED SERVICES.—The term “home and community-based
39 services” means any of the following (whether provided on a fee-for-service, risk, or other
40 basis):

1 (A) Home health care services authorized under paragraph (7) of section 1905(a) of
2 the Social Security Act (42 U.S.C. 1396d(a)).

3 (B) Private duty nursing services authorized under paragraph (8) of such section,
4 when such services are provided in a Medicaid eligible individual's home.

5 (C) Personal care services authorized under paragraph (24) of such section.

6 (D) PACE services authorized under paragraph (26) of such section.

7 (E) Home and community-based services authorized under subsections (b), (c), (i),
8 (j), and (k) of section 1915 of such Act (42 U.S.C. 1396n), authorized under a waiver
9 under section 1115 of such Act (42 U.S.C. 1315), or provided through coverage
10 authorized under section 1937 of such Act (42 U.S.C. 1396u-7).

11 (F) Case management services authorized under section 1905(a)(19) of the Social
12 Security Act (42 U.S.C. 1396d(a)(19)) and section 1915(g) of such Act (42 U.S.C.
13 1396n(g)).

14 (G) Rehabilitative services, including those related to behavioral health, described in
15 section 1905(a)(13) of such Act (42 U.S.C. 1396d(a)(13)).

16 (H) Such other services specified by the Secretary.

17 (5) INSTITUTIONAL SETTING.—The term “institutional setting” means—

18 (A) a skilled nursing facility (as defined in section 1819(a) of the Social Security
19 Act (42 U.S.C. 1395i-3(a)));

20 (B) a nursing facility (as defined in section 1919(a) of such Act (42 U.S.C.
21 1396r(a)));

22 (C) a long-term care hospital (as described in section 1886(d)(1)(B)(iv) of such Act
23 (42 U.S.C. 1395ww(d)(1)(B)(iv)));

24 (D) a facility described in section 1905(d) of such Act (42 U.S.C. 1396d(d));

25 (E) an institution which is a psychiatric hospital (as defined in section 1861(f) of
26 such Act (42 U.S.C. 1395x(f))) or that provides inpatient psychiatric services in a
27 residential setting specified by the Secretary; and

28 (F) an institution described in section 1905(i) of such Act (42 U.S.C. 1396d(i)).

29 (6) MEDICAID ELIGIBLE INDIVIDUAL.—The term “Medicaid eligible individual” means an
30 individual who is eligible for and receiving medical assistance under a State Medicaid plan
31 or a waiver of such plan. Such term includes an individual who is on a waiting list and who
32 would become eligible for medical assistance and enrolled under a State Medicaid plan, or
33 waiver of such plan, upon receipt of home and community-based services.

34 (7) STATE MEDICAID PROGRAM.—The term “State Medicaid program” means, with
35 respect to a State, the State program under title XIX of the Social Security Act (42 U.S.C.
36 1396 through 1396w-6) (including any waiver or demonstration under such title or under
37 section 1115 of such Act (42 U.S.C. 1315) relating to such title).

38 (8) SECRETARY.—The term “Secretary” means the Secretary of Health and Human
39 Services.

1 (9) STATE.—The term “State” means each of the 50 States, the District of Columbia,
2 Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa.

3 SEC. 30712. HCBS IMPROVEMENT PROGRAM.

4 (a) Increased FMAP for HCBS Program Improvement States.—Section 1905 of the Social
5 Security Act (42 U.S.C. 1396d) is amended—

6 (1) in subsection (b), by striking “and (ii)” and inserting “(ii), and (jj)”; and

7 (2) by adding at the end the following new subsection:

8 “(jj) Additional Support for HCBS Program Improvement States.—

9 “(1) IN GENERAL.—

10 “(A) ADDITIONAL SUPPORT.—Subject to paragraph (5), in the case of a State that is
11 an HCBS program improvement State, for each fiscal quarter that begins on or after
12 the first date on which the State is an HCBS program improvement State—

13 “(i) and for which the State meets the requirements described in paragraphs (2)
14 and (4), notwithstanding subsection (b) or (ff), subject to subparagraph (B), with
15 respect to amounts expended during the quarter by such State for medical
16 assistance for home and community-based services, the Federal medical
17 assistance percentage for such State and quarter (as determined for the State under
18 subsection (b) and, if applicable, increased under subsection (y), (z), (aa), or (ii),
19 section 6008(a) of the Families First Coronavirus Response Act), or section
20 1915(k)(2) shall be increased by 6 percentage points ~~in addition to any percentage~~
21 ~~point increases pursuant to either such subsection (y), (z), (aa), or (ii), such~~
22 ~~section 6008(a), or such section 1915(k)(2); and~~

23 “(ii) with respect to the State meeting the requirements described in paragraphs
24 (2) and (4), ~~notwithstanding sections 1903(a)(7) and 1903(a)(3), and~~ with respect
25 to amounts expended during the quarter and before October 1, 2031, for
26 administrative costs for expanding and enhancing home and community-based
27 services, including for enhancing Medicaid data and technology infrastructure,
28 modifying rate setting processes, adopting or improving training programs for
29 direct care workers and family caregivers, home and community-based services
30 ombudsman office activities **(as reimbursable under section 1903(a)(7))**,
31 developing processes to identify direct care workers and assign such workers
32 unique identifiers **(as so reimbursable)**, and adopting, carrying out, or enhancing
33 programs that register direct care workers or connect beneficiaries to direct care
34 workers, the per centum specified in ~~such~~ sections 1903(a)(7) and 1903(a)(3) shall
35 be increased to 80 percent.

36 In no case may the application of clause (i) result in the Federal medical assistance
37 percentage determined for a State being more than 95 percent with respect to such
38 expenditures. In no case shall the application of clause (ii) result in a reduction to the
39 per centum otherwise specified without application of such clause. Any increase
40 pursuant to clause (ii) shall be available to a State before the State meets the
41 requirements of paragraphs (2) and (4).

1 “(B) ADDITIONAL HCBS IMPROVEMENT EFFORTS.—Subject to paragraph (5), in
2 addition to the increase to the Federal medical assistance percentage under
3 subparagraph (A)(i) for amounts expended during a quarter for medical assistance for
4 home and community-based services by an HCBS program improvement State that
5 meets the requirements of paragraphs (2) and (4) for the quarter, the Federal medical
6 assistance percentage for amounts expended by the State during the quarter for medical
7 assistance for home and community-based services shall be further increased by 2
8 percentage points (but not to exceed 95 percent) during the first 6 fiscal quarters
9 throughout which the State has implemented and has in effect a program that meets the
10 requirements of paragraph (3).

11 “(C) NONAPPLICATION OF TERRITORIAL FUNDING CAPS.—Any payment made to
12 Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, or American
13 Samoa for expenditures that are subject to an increase in the Federal medical assistance
14 percentage under subparagraph (A)(i) or (B), or an increase in an applicable Federal
15 matching percentage under subparagraph (A)(ii), shall not be taken into account for
16 purposes of applying payment limits under subsections (f) and (g) of section 1108.

17 “(D) NONAPPLICATION TO CHIP EFMAP.—Any increase described in subparagraph
18 (A) (or payment made for expenditures on medical assistance that are subject to such
19 increase) shall not be taken into account in calculating the enhanced FMAP of a State
20 under section 2105.

21 “(2) REQUIREMENTS.—Subject to the last sentence of paragraph (1)(A), as conditions for
22 receipt of the increase under paragraph (1) to the Federal medical assistance percentage
23 determined for a State, with respect to a fiscal year quarter, the State shall meet each of the
24 following requirements:

25 “(A) NONSUPPLANTATION.—The State uses the Federal funds attributable to the
26 increase in the Federal medical assistance percentage for amounts expended during a
27 quarter for medical assistance for home and community-based services under
28 paragraph (1)(A) and paragraph (1)(B) (if applicable) to supplement, and not supplant,
29 the level of State funds expended for home and community-based services for eligible
30 individuals through programs in effect as of the date the State is awarded a planning
31 grant under section 30711 of the Act titled ‘An Act to provide for reconciliation
32 pursuant to title II of S. Con. Res. 14’. In applying this subparagraph, the Secretary
33 shall provide that a State shall have a 3-year period, as specified by the Secretary, to
34 spend any accumulated unspent State funds attributable to the increase described in
35 clause (i) in the Federal medical assistance percentage.

36 “(B) MAINTENANCE OF EFFORT.—

37 “(i) IN GENERAL.—The State does not—

38 “(I) reduce the amount, duration, or scope of home and community-based
39 services available under the State plan (or waiver of such plan) relative to the
40 home and community-based services available under the plan or a waiver of
41 such plan as of the date on which the State was awarded a planning grant
42 under section 30711 of the Act titled ‘An Act to provide for reconciliation
43 pursuant to title II of S. Con. Res. 14’;

1 “(II) reduce payment rates for home and community-based services lower
2 than such rates that were in place as of the date described in subclause (I),
3 including, to the extent applicable, assumed payment rates for such services
4 that are included in managed care capitation rates as such rates are being
5 prospectively built; or

6 “(III) except to the extent permitted under clause (ii), adopt more
7 restrictive standards, methodologies, or procedures for determining
8 eligibility for or the scope of medical assistance of home and
9 community-based services, including with respect to cost-sharing, than the
10 standards, methodologies, or procedures applicable as of the date described
11 in subclause (I).

12 “(ii) CONDITIONS FOR FLEXIBILITY.—A State may make modifications that
13 would otherwise violate the maintenance of effort described in clause (i) if the
14 State demonstrates to the satisfaction of the Secretary that such modifications
15 shall not result in—

16 “(I) home and community-based services that are less comprehensive or
17 lower in amount, duration, or scope;

18 “(II) fewer individuals (overall and within particular eligibility groups)
19 receiving home and community-based services, the calculation of which may
20 be adjusted for demographic changes since the date described in clause (i)(I);
21 or

22 “(III) increased cost-sharing (other than resulting from the rate of
23 inflation) for home and community-based services.

24 “(C) ACCESS TO SERVICES.—Not later than an implementation date as specified by
25 the Secretary (which may vary for each of the following clauses) after the first day of
26 the first fiscal quarter for which a State receives an increase to the Federal medical
27 assistance percentage or other applicable Federal matching percentage under paragraph
28 (1), the State does all of the following to improve access to services:

29 “(i) Reduce access barriers and disparities in access or utilization of home and
30 community-based services, as described in the State HCBS improvement plan.

31 “(ii) Provides coverage of personal care services authorized under subsection
32 (a)(24) for all individuals eligible for and enrolled in medical assistance in the
33 State.

34 “(iii) Provides for navigation of home and community-based services through
35 ‘no wrong door’ programs, provides expedited eligibility for home and
36 community-based services, and improves home and community-based services
37 counseling and education programs.

38 “(iv) Expands access to behavioral health services furnished in home and
39 community-based settings.

40 “(v) Improves coordination of home and community-based services with
41 employment, housing, and transportation supports.

1 “(vi) Provides supports to family caregivers.

2 “(vii) Newly provides coverage under, or expands existing eligibility criteria
3 for, 1 or more of the eligibility categories authorized under subclause (XIII),
4 (XV), or (XVI) of section 1902(a)(10)(A)(ii).

5 “(D) WORKFORCE.—

6 “(i) IN GENERAL.—The State strengthens and expands the direct care workforce
7 that provides home and community-based services by—

8 “(I) adopting processes to ensure that payment rates for home and
9 community-based services are sufficient (as defined by the Secretary) to
10 ensure that care and services are available to the extent described in the State
11 HCBS improvement plan; and

12 “(II) updating qualification standards as appropriate, and developing and
13 adopting training opportunities for direct care workers and family caregivers,
14 at such ~~time~~ **times** as the Secretary shall prescribe.

15 “(ii) PAYMENT RATES.—In carrying out clause (i)(I), the State shall—

16 “(I) update and, as appropriate, increase payment rates for home and
17 community-based services to support recruitment and retention of the direct
18 care workforce by not later than 2 years after approval of the HCBS
19 improvement plan and, at least every 3 years thereafter, using, through
20 existing or other processes to determine provider payment, a transparent
21 process involving meaningful input from nongovernmental stakeholders; and

22 “(II) ensure that increases in the payment rates for home and
23 community-based services—

24 “(aa) at a minimum, result in a proportionate increase to payments for
25 direct care workers and in a manner that is determined with input from
26 the stakeholders described in subclause (I); and

27 “(bb) are incorporated into provider payment rates for home and
28 community-based services provided under this title by a health plan,
29 under a contract and paid through capitation rates with the State.

30 “(3) SELF-DIRECTED MODELS FOR THE DELIVERY OF SERVICES.—As conditions for receipt
31 of the increase under paragraph (1)(B) to the Federal medical assistance percentage
32 determined for a State, with respect to a fiscal year quarter, the State shall establish directly,
33 or by contract with 1 or more entities, including an agency with choice or a similar service
34 delivery model, a program for the performance of all of the following functions to facilitate
35 beneficiary use of self-directed care in the case the State covers home and community-based
36 services under authorities that permit self-direction:

37 “(A) Registering qualified direct care workers and assisting beneficiaries in finding
38 direct care workers.

39 “(B) Undertaking activities to recruit and train independent providers to enable
40 beneficiaries to direct their own care, including by providing or coordinating training
41 for beneficiaries on self-directed care.

1 “(C) Ensuring the safety of, and supporting the quality of, care provided to
2 beneficiaries.

3 “(D) Facilitating coordination between State and local agencies and direct care
4 workers for matters of public health, training opportunities, changes in program
5 requirements, workplace health and safety, or related matters.

6 “(E) Supporting beneficiary hiring, if selected by the beneficiary, of independent
7 providers of home and community-based services, including by processing applicable
8 tax information, collecting and processing timesheets, submitting claims and
9 processing payments to such providers.

10 “(F) To the extent a State permits beneficiaries to hire a family member or
11 individual with whom they have an existing relationship to provide home and
12 community-based services, providing support to beneficiaries who wish to hire a
13 caregiver who is a family member or individual with whom they have an existing
14 relationship.

15 “(G) Ensuring that the program under this paragraph does not promote or ~~prevent~~
16 **deter** the ability of workers to form a labor organization or discriminate against
17 workers who may join or decline to join such an organization.

18 “(4) REPORTING AND OVERSIGHT.—As conditions for receipt of the increase under
19 paragraph (1) to the Federal medical assistance percentage determined for a State, with
20 respect to a fiscal year quarter, the State shall meet each of the following requirements:

21 “(A) The State designates (by a date specified by the Secretary) an HCBS
22 ombudsman **office** (or a long-term care ombudsman program office) that—

23 “(i) operates independently from the State Medicaid agency and ~~managed care~~
24 **entities health plans**;

25 “(ii) provides direct assistance to recipients of home and community-based
26 services available under the State Medicaid program and their families; and

27 “(iii) identifies and reports systemic problems to State officials, the public, and
28 the Secretary.

29 “(B) Beginning with the last day of the 5th fiscal quarter for which the state is an
30 HCBS program improvement State, and annually thereafter, the State reports to the
31 Secretary, in a manner the Secretary shall prescribe, on the progress of implementation
32 of the activities described in subparagraphs (C) and (D) of paragraph (2), paragraph (3)
33 (if applicable), the use of enhanced Federal funding provided under this subsection,
34 and progress with respect to ~~service~~ **home and community-based services**
35 availability, utilization, disparities in access and use of services, spending on HCBS,
36 and the status of the direct care workforce.

37 “(5) BENCHMARKS FOR DEMONSTRATING IMPROVEMENTS.—An HCBS program
38 improvement State shall cease to be eligible for an increase in the Federal medical
39 assistance percentage under paragraph (1)(A)(i) or (1)(B) or an increase in an applicable
40 Federal matching percentage under paragraph (1)(A)(ii) on or after the first date on which a
41 State is an HCBS program improvement State if the State is found to be out of compliance
42 with the requirements of this subsection and unless, at the end of the 29th fiscal quarter, the

1 State demonstrates the following in the annual report required in paragraph (4) for such
2 quarter:

3 “(A) Increased availability (above a marginal increase) of home and
4 community-based services in the State relative to such availability as reported in the
5 State HCBS improvement plan and adjusted for demographic changes in the State
6 since the submission of such plan.

7 “(B) With respect to the percentage of expenditures made by the State for long-term
8 services and supports that are for home and community-based services, in the case of
9 an HCBS program improvement State for which such percentage (as reported in the
10 State HCBS improvement plan) was—

11 “(i) less than 50 percent, the State demonstrates that the percentage of such
12 expenditures has increased to at least 50 percent since the plan was approved; and

13 “(ii) at least 50 percent, the State demonstrates that such percentage has not
14 decreased since the plan was approved.

15 “(6) DEFINITIONS.—In this subsection, the terms ‘State Medicaid plan’, ‘direct care
16 worker’, ‘HCBS program improvement State’, ‘health plan’; and ‘home and
17 community-based services’ have the meaning given those terms in section 30711(e) of the
18 Act titled ‘An Act to provide for reconciliation pursuant to title II of S. Con. Res. 14’.”.

19 SEC. 30713. FUNDING FOR FEDERAL ACTIVITIES 20 RELATED TO MEDICAID HCBS.

21 In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal
22 year 2022, out of any money in the Treasury not otherwise appropriated, ~~\$15,000,000~~
23 **\$40,000,000**, to remain available until expended, to carry out section 30712 (including the
24 amendments made by such section), including by issuing necessary guidance and technical
25 assistance to States, conducting program integrity and oversight efforts, and preparing and
26 submitting to the Committee on Energy and Commerce of the House of Representatives and the
27 Committee on Finance of the Senate, beginning 5 years after the date of the enactment of this
28 Act and every three years thereafter, a report describing the progress of the HCBS planning and
29 improvement activities undertaken by States as applicable and as described in sections 30711
30 and 30712 (including the amendments made by such sections), and describing the impact of such
31 activities on access to care, including with respect to disparities in access and utilization, and the
32 direct care workforce.

33 SEC. 30714. FUNDING FOR HCBS QUALITY 34 MEASUREMENT AND IMPROVEMENT.

35 (a) Increased Federal Matching Rate for Adoption and Reporting of HCBS Quality
36 Measures.—

37 (1) IN GENERAL.—Section 1903(a)(3) of the Social Security Act (42 U.S.C. 1396b(a)(3))
38 is amended—

39 (A) in subparagraph (F)(ii), by striking “plus” after the semicolon and inserting
40 “and”; and

1 (B) by inserting after subparagraph (F), the following:

2 “(G) 80 percent of so much of the sums expended during such quarter as are
3 attributable to the reporting of information regarding the quality of home and
4 community-based services in accordance with sections 1139A(a)(4)(B)(ii) and
5 1139B(b)(3)(C); and”.

6 (2) EXEMPTION FROM TERRITORIES’ PAYMENT LIMITS.—Section 1108(g)(4) of the Social
7 Security Act is amended by adding at the end the following new subparagraph:

8 “(C) ADDITIONAL EXEMPTION RELATING TO HCBS QUALITY REPORTING.—Payments
9 under section 1903(a)(3)(G) shall not be taken into account in applying payment limits
10 under subsections (f) and (g) of this subsection.”.

11 (b) HCBS Quality Measures for Increase.—Title XI of the Social Security Act (42 U.S.C.
12 1301 through 1320e–3) is amended—

13 (1) in section 1139A—

14 (A) in subsection (a)(4)(B)—

15 (i) by striking “Beginning with the annual State report on fiscal year 2024” and
16 inserting the following:

17 “(i) IN GENERAL.—Subject to clause (ii), beginning with the annual State report
18 on fiscal year 2024”; and

19 (ii) by adding at the end the following new clause:

20 “(ii) REPORTING HCBS QUALITY MEASURES.—With respect to reporting on
21 information regarding the quality of home and community-based services
22 provided to children under title XIX or title XXI, beginning with the annual State
23 report required under subsection (c)(1) for the first fiscal year that begins on or
24 after the date that is 2 years after the date that the Secretary publishes the home
25 and community-based services quality measures developed under subsection
26 (b)(5)(B) the Secretary shall require States to report such information using the
27 standardized format for reporting information and procedures developed under
28 subparagraph (A) and using all such home and community-based quality
29 measures developed under subsection (b)(5) (including any updates or changes to
30 such measures).”; and

31 (B) in subsection (b)(5)—

32 (i) by striking “Beginning no later than January 1, 2013” and inserting the
33 following:

34 “(A) IN GENERAL.—Beginning no later than January 1, 2013”; and

35 (ii) by adding at the end the following new subparagraph:

36 “(B) HCBS QUALITY MEASURES.—Beginning with the first year that begins on the
37 date that is 2 years after the date of enactment of this subparagraph (or, in the case of
38 measures that require development and testing prior to availability, not later than 4
39 years after the date of enactment of this subparagraph), the requirements of
40 subparagraph (A) shall apply, and the core measures described in subsection (a) (and

1 any updates or changes to such measures) shall include home and community-based
2 services, ~~and~~ quality measures developed by the Secretary. The Secretary shall ensure
3 that such measures ~~reflects~~ **reflect** the full array of home and community-based
4 services, and consult with nongovernmental stakeholders with expertise in home and
5 community-based services (including recipients and providers of such services).”;

6 (C) in subsection (b)(6)—

7 (i) by inserting “or support services” before “that is capable of”;

8 (ii) by striking “and ambulatory health care settings” and inserting “,
9 ambulatory health care, and home and community-based settings”; and

10 (iii) by inserting “and home and community-based” before “care system”; and

11 (D) in subsection (c)(1), in the matter preceding subparagraph (A), by inserting “,
12 subject to subsection (a)(4)(B)(ii),” before “annually report”; and

13 (2) in section 1139B—

14 (A) in subsection (b)—

15 (i) in paragraph (3), by adding at the end the following new subparagraph:

16 “(C) MANDATORY REPORTING WITH RESPECT TO HCBS QUALITY
17 MEASURES.—Beginning with the State report required under subsection (d)(1) for the
18 first year that begins on or after the date that is 2 years after the date that the Secretary
19 publishes the home and community-based quality measures developed under paragraph
20 (5)(D), the Secretary shall require States to report information, using the standardized
21 format for reporting information and procedures developed under subparagraph (A),
22 regarding the quality of home and community-based services for Medicaid eligible
23 adults using all of the home and community-based services quality measures included
24 in the core set of adult health quality measures under paragraph (5)(D), and any
25 updates or changes to such measures.”; and

26 (ii) in paragraph (5), by adding at the end the following new subparagraph:

27 “(D) HCBS QUALITY MEASURES.—

28 “(i) FUNDING.—In addition to amounts otherwise available, there is
29 appropriated to the Secretary, for fiscal year 2022, to be available until expended,
30 out of any money in the Treasury not otherwise appropriated, \$22,000,000, for
31 carrying out this subparagraph.

32 “(ii) INCLUSION OF HCBS QUALITY MEASURES.—Beginning with respect to State
33 reports required under subsection (d)(1) for the first year that begins on or after
34 the date that is 2 years after the date of enactment of this subparagraph (or, in the
35 case of measures that require development and testing prior to availability, not
36 later than 4 years after the date of enactment of this subparagraph) the core set of
37 adult health quality measures maintained under this paragraph (and any updates or
38 changes to such measures) shall include home and community-based services
39 quality measures developed in accordance with this subparagraph.

40 “(iii) REQUIREMENTS.—

1 “(I) IN GENERAL.—In developing, reviewing and updating the home and
2 community-based services quality measures included in the core set of adult
3 health quality measures maintained under this paragraph, the Secretary shall
4 consult with nongovernmental stakeholders with expertise in home and
5 community-based services (including recipients and providers of such
6 services) and ensure such measures reflect the full array of home and
7 community-based services and recipients of such services.

8 “(II) ~~DEFINITIONS.—~~ **FOR DEFINITION.—**For purposes of this section and
9 section 1139A, the ~~terms term~~ ‘home and community-based services’, ~~and~~
10 ~~‘direct care worker’ have the meanings given those terms~~ **has the meaning**
11 **given such term** in section 30711(e) of the Act titled ‘An Act to provide for
12 reconciliation pursuant to title II of S. Con. Res. 14’.”; and

13 (B) in subsection (d)(1)(A), by striking “; and” and inserting “and, beginning with
14 the report for the first year that begins after the date that is 2 years after the Secretary
15 publishes the home and community-based quality measures developed under
16 subsection (b)(5)(D), all home and community-based services quality measures
17 included in the core set of adult health quality measures maintained under subsection
18 (b)(5) and any updates or changes to such measures; and”.

19 **SEC. 30715. PERMANENT EXTENSION OF MEDICAID**
20 **PROTECTIONS AGAINST SPOUSAL IMPOVERISHMENT**
21 **FOR RECIPIENTS OF HOME AND COMMUNITY-BASED**
22 **SERVICES.**

23 (a) In General.—Section 1924(h)(1)(A) of the Social Security Act (42 U.S.C.
24 1396r–5(h)(1)(A)) is amended by striking “(at the option of the State) is described in section
25 1902(a)(10)(A)(ii)(VI)” and inserting the following: “is eligible for medical assistance for home
26 and community-based services provided under subsection (c), (d), or (i) of section 1915 or under
27 a waiver approved under section 1115, or who is eligible for such medical assistance by reason
28 of being determined eligible under section 1902(a)(10)(C) or by reason of section 1902(f) or
29 otherwise on the basis of a reduction of income based on costs incurred for medical or other
30 remedial care, or who is eligible for medical assistance for home and community-based attendant
31 services and supports under section 1915(k)”.

32 (b) Conforming Amendment.—Section 2404 of the Patient Protection and Affordable Care
33 Act (42 U.S.C. 1396r–5 note) is amended by striking “September 30, 2023” and inserting “the
34 date of the enactment of the Act titled ‘An Act to provide for reconciliation pursuant to title II of
35 S. Con. Res. 14’”.

36 **SEC. 30716. PERMANENT EXTENSION OF MONEY**
37 **FOLLOWS THE PERSON REBALANCING**
38 **DEMONSTRATION.**

39 (a) In General.—Subsection (h) of section 6071 of the Deficit Reduction Act of 2005 (42
40 U.S.C. 1396a note) is amended—

1 (1) in paragraph (1)—

2 (A) in subparagraph (I), by inserting “and” after the semicolon;

3 (B) by amending subparagraph (J) to read as follows:

4 “(J) \$450,000,000 for each fiscal year after fiscal year 2021.”; and 2022.”;

5 (C) by striking subparagraph (K);

6 (2) in paragraph (2), by striking “September 30, 2023” and inserting “September 30 of
7 the subsequent fiscal year”; and

8 (3) by adding at the end the following new paragraph:

9 “(3) TECHNICAL ASSISTANCE.—In addition to amounts otherwise available, there is
10 appropriated to the Secretary for fiscal year 2022 and for each subsequent 3-year period, out
11 of any money in the Treasury not otherwise appropriated, \$5,000,000, to remain available
12 until expended, for carrying out subsections (f), (g), and (i).”.

13 (b) Redistribution of Unexpended Grant Awards.—Subsection (e)(2) of section 6071 of the
14 Deficit Reduction Act of 2005 (42 U.S.C. 1396a note) is amended by adding at the end the
15 following new sentence: “Any portion of a State grant award for a fiscal year under this section
16 that is unexpended by the State at the end of the fourth succeeding fiscal year shall be rescinded
17 by the Secretary and added to the appropriation for the fifth succeeding fiscal year.”.

18 ~~PART 2—OTHER MEDICAID~~

19 ~~SEC. 30721. INVESTMENTS TO ENSURE CONTINUED~~ 20 ~~ACCESS TO HEALTH CARE FOR CHILDREN, PREGNANT~~ 21 ~~INDIVIDUALS, AND OTHER INDIVIDUALS.~~

22 ~~(a) Extending Continuous Coverage for Pregnant and~~
23 ~~Postpartum Individuals.—~~

24 ~~(1) Medicaid.—~~

25 ~~(A) SEC. 30717. FUNDING TO IMPROVE THE~~ 26 ~~ACCURACY AND RELIABILITY OF CERTAIN~~ 27 ~~SKILLED NURSING FACILITY DATA.~~

28 Section 1888 of the Social Security Act (42 U.S.C. 1395yy) is amended—

29 (1) in subsection (h)(12)—

30 (A) in subparagraph (A), by striking “and the data submitted under subsection
31 (e)(6) a process to validate such measures and data” and inserting “, the data
32 submitted under subsection (e)(6), and, during the period beginning with fiscal
33 year 2024 and ending with fiscal year 2031, the resident assessment data
34 described in section 1819(b)(3) and the direct care staffing information described
35 in section 1128I(g) a process to validate such measures, data, and information”;

1 **and**

2 **(B) in subparagraph (B)—**

3 **(i) by striking “FUNDING.—For purposes” and inserting “FUNDING.—**

4 **“(i) FISCAL YEARS 2023 THROUGH 2025.—For purposes”; and**

5 **(ii) by adding at the end the following new clause:**

6 **“(ii) ADDITIONAL FUNDING.—There is appropriated to the Secretary, out of**
7 **any monies in the Treasury not otherwise appropriated, \$50,000,000 for**
8 **fiscal year 2022, to remain available through fiscal year 2031, for purposes of**
9 **carrying out this paragraph.”; and**

10 **(2) in subsection (e)(6)(A)—**

11 **(A) in the header, by striking “FOR FAILURE TO REPORT”; and**

12 **(B) in clause (i)—**

13 **(i) by striking “For fiscal years beginning with fiscal year 2018, in the case**
14 **of a skilled nursing facility that does not submit” and inserting the following:**

15 **“(I) FAILURE TO REPORT.—For fiscal years beginning with fiscal year**
16 **2018, in the case of a skilled nursing facility that does not submit quality**
17 **measure data specified by the Secretary and”; and**

18 **(ii) by adding at the end the following new subclause:**

19 **“(II) REPORTING OF INACCURATE INFORMATION.—For fiscal years**
20 **during the period beginning with fiscal year 2026 and ending with fiscal**
21 **year 2031, in the case of a skilled nursing facility that submits data**
22 **under this paragraph, measures under subsection (h), resident**
23 **assessment data described in section 1819(b)(3), or direct care staffing**
24 **information described in section 1128I(g) with respect to such fiscal year**
25 **that is inaccurate (as determined by the Secretary through the**
26 **validation process described in section 1888(h)(12) or otherwise), after**
27 **determining the percentage described in paragraph (5)(B)(i), and after**
28 **application of clauses (ii) and (iii) of paragraph (5)(B) and of subclause**
29 **(I) of this clause (if applicable), the Secretary shall reduce such**
30 **percentage for payment rates during such fiscal year by 2 percentage**
31 **points.”.**

32 **SEC. 30718. ENSURING ACCURATE INFORMATION**
33 **ON COST REPORTS.**

34 Section 1888(f) of the Social Security Act (42 U.S.C. 1395yy(f)) is amended by adding at
35 the end the following new paragraph:

36 **“(5) AUDIT OF COST REPORTS.—There is appropriated to the Secretary, out of any**
37 **monies in the Treasury not otherwise appropriated, \$250,000,000 for fiscal year 2022,**
38 **to remain available through fiscal year 2031, for purposes of conducting an annual**
39 **audit (beginning with 2023 and ending with 2031) of cost reports submitted under this**

1 title for a representative sample of skilled nursing facilities.”.

2 **SEC. 30719. SURVEY IMPROVEMENTS.**

3 Section 1819 of the Social Security Act (42 U.S.C. 1395i-3) is amended by adding at the
4 end the following new subsection:

5 “(l) Survey Improvements.—

6 “(1) IN GENERAL.—There is appropriated to the Secretary, out of any monies in the
7 Treasury not otherwise appropriated, \$325,000,000 for fiscal year 2022, to remain
8 available through fiscal year 2031, for purposes of—

9 “(A) conducting reviews and identifying plans under paragraph (2); and

10 “(B) providing training, tools, technical assistance, and financial support in
11 accordance with paragraph (3).

12 “(2) REVIEW.—The Secretary shall conduct reviews, during the period specified in
13 paragraph (1), of (and, as appropriate, identify plans to improve) the following:

14 “(A) The extent to which surveys conducted under subsection (g) and the
15 enforcement process under subsection (h) result in increased compliance with
16 requirements under this section and subpart B of part 483 of title 42, Code of
17 Federal Regulations, with respect to skilled nursing facilities (in this subsection
18 referred to as ‘facilities’).

19 “(B) The timeliness and thoroughness of State agency verification of deficiency
20 corrections at facilities.

21 “(C) The accuracy of the identification and appropriateness of the scope and
22 severity of deficiencies cited at facilities.

23 “(D) The accuracy of the identification and appropriateness of the scoping and
24 severity of life safety, infection control, and emergency preparedness deficiencies
25 cited at facilities.

26 “(E) The timeliness of State agency investigations of—

27 “(i) complaints at facilities;

28 “(ii) facility-reported incidents at facilities; and

29 “(iii) reported allegations of abuse, neglect, and exploitation at facilities.

30 “(F) The consistency of facility reporting of substantiated complaints to law
31 enforcement.

32 “(G) The ability of the State agency to sufficiently hire, train, and retain
33 individuals who conduct surveys.

34 “(H) Any other area related to surveys of facilities, or the individuals
35 conducting such surveys, determined appropriate by the Secretary.

36 “(3) SUPPORT.—Based on the review under paragraph (2), the Secretary shall,
37 during the period specified in paragraph (1), provide training, tools, technical
38 assistance, and financial support to State and Federal agencies that perform surveys of

1 facilities for the purpose of improving the surveys conducted under subsection (g) and
2 the enforcement process under subsection (h) with respect to the areas reviewed under
3 paragraph (2).”.

4 **SEC. 30720. NURSE STAFFING REQUIREMENTS.**

5 Section 1819(d) of the Social Security Act (42 U.S.C. 1395i–3(d)) is amended—

6 (1) in paragraph (4)(A), by inserting “and any regulations promulgated under
7 paragraph (5)(C)” after “section 1124”; and

8 (2) by adding at the end the following new paragraph:

9 “(5) NURSE STAFFING REQUIREMENTS.—

10 “(A) FUNDING.—There is appropriated to the Secretary, out of any monies in
11 the Treasury not otherwise appropriated, \$50,000,000 for fiscal year 2022, to
12 remain available through fiscal year 2031, for purposes of carrying out this
13 paragraph.

14 “(B) STUDY.—Not later than 3 years after the date of the enactment of this
15 paragraph, and not less frequently than once every 5 years thereafter, the
16 Secretary shall, out of funds appropriated under subparagraph (A), conduct a
17 study and submit to Congress a report on the appropriateness of establishing
18 minimum staff to resident ratios for nursing staff for skilled nursing facilities.
19 Each such report shall include—

20 “(i) with respect to the first such report, recommendations regarding
21 appropriate minimum ratios of registered nurses (and, if practicable,
22 licensed practical nurses (or licensed vocational nurses) and certified nursing
23 assistants) to residents at such skilled nursing facilities; and

24 “(ii) with respect to each subsequent such report, recommendations
25 regarding appropriate minimum ratios of registered nurses, licensed
26 practical nurses (or licensed vocational nurses), and certified nursing
27 assistants to residents at such skilled nursing facilities.

28 “(C) PROMULGATION OF REGULATIONS.—

29 “(i) IN GENERAL.—Not later than 1 year after the Secretary first submits a
30 report under subparagraph (B), the Secretary shall, out of funds
31 appropriated under subparagraph (A)—

32 “(I) specify through regulations, consistent with such report,
33 appropriate minimum ratios (if any) of registered nurses (and, if
34 practicable, licensed practical nurses (or licensed vocational nurses) and
35 certified nursing assistants) to residents at skilled nursing facilities; and

36 “(II) except as provided in clause (ii), require such skilled nursing
37 facilities to comply with such ratios.

38 “(ii) EXCEPTION.—

39 “(I) IN GENERAL.—In addition to the authority to waive the

1 application of clause (i)(II) under section 1135, the Secretary may waive
2 the application of such clause with respect to a skilled nursing facility if
3 the Secretary finds that—

4 “(aa) the facility is located in a rural area and the supply of
5 skilled nursing facility services in such area is not sufficient to meet
6 the needs of individuals residing therein;

7 “(bb) the Secretary provides notice of the waiver to the State
8 long-term care ombudsman (established under section 307(a)(12) of
9 the Older Americans Act of 1965) and the protection and advocacy
10 system in the State for the mentally ill; and

11 “(cc) the facility that is granted such a waiver notifies residents of
12 the facility (or, where appropriate, the guardians or legal
13 representatives of such residents) and members of their immediate
14 families of the waiver.

15 “(II) RENEWAL.—Any waiver in effect under this clause shall be
16 subject to annual renewal.

17 “(iii) UPDATE.—Not later than 1 year after the submission of each
18 subsequent report under subparagraph (B), the Secretary shall, out of funds
19 appropriated under subparagraph (A) and consistent with such report,
20 update the regulations described in clause (i)(I) to reflect appropriate
21 minimum ratios (if any) of registered nurses, licensed practical nurses (or
22 licensed vocational nurses), and certified nursing assistants to residents at
23 skilled nursing facilities.”.

24 PART 2—EXPANDING ACCESS TO MATERNAL 25 HEALTH

26 SEC. 30721. EXTENDING CONTINUOUS COVERAGE 27 FOR PREGNANT AND POSTPARTUM INDIVIDUALS.

28 (a) Medicaid.—

29 (1) REQUIRING FULL BENEFITS FOR PREGNANT AND POSTPARTUM INDIVIDUALS FOR
30 12-MONTH PERIOD POST PREGNANCY.—

31 ~~(A)~~ IN GENERAL.—Paragraph (5) of section 1902(e) of the Social Security Act (42
32 U.S.C. 1396a(e)) is amended—

33 ~~(i)~~ by striking “(5) A woman who” and inserting “(5)(A) For any fiscal year
34 quarter (beginning with the first fiscal year quarter beginning one year after the
35 date of the enactment of the Act titled ‘An Act to provide for reconciliation
36 pursuant to title II of S. Con. Res. 14’) with respect to which subparagraph (B)
37 does not apply, an individual who”; and

38 ~~(ii)~~ by adding at the end the following new subparagraph:

39 “(B) For any fiscal year quarter (beginning with the first fiscal year quarter beginning one

1 year after the date of the enactment of the Act titled ‘An Act to provide for reconciliation
2 pursuant to title II of S. Con. Res. 14’), any individual who, while pregnant, is eligible for
3 and received medical assistance under the State plan or a waiver of such plan (regardless of
4 the basis for the individual’s eligibility for medical assistance and including during a period
5 of retroactive eligibility under subsection (a)(34)), shall remain eligible, notwithstanding
6 section 1916(c)(3) or any other limitation under this title, for medical assistance through the
7 end of the month in which the 12-month period (beginning on the last day of pregnancy of
8 the individual) ends, and such medical assistance shall be in accordance with clauses (i) and
9 (ii) of paragraph (16)(B).”.

10 ~~(ii)~~**(B)** CONFORMING AMENDMENTS.—Title XIX of the Social Security Act (42
11 U.S.C. 1396 through 1396w-6) is amended—

12 ~~(H)~~**(i)** in section 1902(a)(10), in the matter following subparagraph (G), by
13 striking “(VII) the medical assistance” and all that follows through “, (VIII)” and
14 inserting “(VIII)”;

15 ~~(H)~~**(ii)** in section 1902(e)(6), by striking “In the case of” and inserting “For any
16 fiscal year quarter with respect to which paragraph (5)(B) does not apply, in the
17 case of”;

18 ~~(H)~~**(iii)** in section 1902(l)(1)(A), by striking “60-day period” and inserting
19 “12-month period (or, for any fiscal year quarter with respect to which subsection
20 (e)(5)(B) does not apply and for which the State has not adopted the option under
21 section 1902(e)(16)(A), 60-day period”;

22 ~~(IV)~~**(iv)** in section 1903(v)(4)—

23 ~~(aa)~~**(I)** in subparagraph (A)(i), by striking “the 60-day period” and
24 inserting “the applicable period (as described in subparagraph (D))”;

25 ~~(bb)~~**(II)** in subparagraph (A)(ii), by striking the period at the end and
26 inserting the following: “and including— and inserting “, and, in the case
27 of such an individual who is or becomes pregnant, such individual
28 (regardless of age) during pregnancy and during the applicable period
29 (as described in subparagraph (D)).”;

30 ~~“(I) for any fiscal year quarter (beginning with the first fiscal year quarter
31 beginning one year after the date of the enactment of the American Rescue
32 Plan of 2021) with respect to which section 1902(e)(5)(B) does not apply, an
33 individual to whom section 1902(e)(5)(A) applies, in accordance with such
34 section 1902(e)(5)(A), as applicable pursuant to section 1902(e)(16)(A);
35 and”;~~

36 ~~(cc) in subparagraph (A)(ii), as amended by item (bb), by adding at the
37 end the following new subclause:~~

38 ~~“(H) for any fiscal year quarter (beginning with the first fiscal year quarter
39 beginning one year after the date of the enactment of the Act titled ‘An Act
40 to provide for reconciliation pursuant to title II of S. Con. Res. 14’), an
41 individual to whom section 1902(e)(5)(B) applies, in accordance with such
42 section, through the end of the month in which the 12-month period—~~

1 ~~(beginning on the last day of pregnancy of the individual) ends.”;~~

2 ~~(dd)(III)~~ by adding at the end the following new subparagraph:

3 “(D) For purposes of subparagraph (A), the applicable period described in this
4 subparagraph is—

5 “(i) beginning with the first fiscal year quarter that begins one year after the
6 date of the enactment of the American Rescue Plan Act of 2021, for a State that
7 has adopted the option under section 1902(e)(16)(A), the 12-month period;”;

8 ~~(ee)(IV)~~ in the subparagraph (D) added by ~~item (dd)~~ **subclause (III)**, by
9 adding at the end the following new clauses:

10 “(ii) beginning with the first fiscal year quarter beginning one year after the
11 date of the enactment of the Act titled ‘An Act to provide for reconciliation
12 pursuant to title II of S. Con. Res. 14’, the 12-month period; and

13 “(iii) for any fiscal year quarter (beginning with such first fiscal year quarter)
14 with respect to which section 1902(e)(5)(B) does not apply and for which the
15 State has not adopted the option under section 1902(e)(16)(A), the 60-day
16 period.”;

17 ~~(V)(v)~~ in section 1905(a), in the 4th sentence in the matter following paragraph
18 (31), by striking “60-day period” and inserting “12-month period (or, for any
19 fiscal year quarter with respect to which section 1902(e)(5)(B) does not apply and
20 for which the State has not adopted the option under section 1902(e)(16)(A),
21 60-day period)”;

22 ~~(VI)(vi)~~ in section 1905(y)(2), by adding at the end the following new
23 ~~subparagraph:~~ **paragraph:**

24 ~~(C)(3)~~ **TREATMENT FOR CERTAIN INDIVIDUALS.**—Notwithstanding ~~subparagraph (A) of~~
25 ~~this paragraph~~ **paragraphs (1) and (2)**, section 1902(a)(10)(A)(i)(III), and section
26 1902(a)(10)(A)(i)(IV), the term ‘newly eligible’ **in paragraph (2)(A) and the phrase**
27 **‘newly eligible individuals described in subclause (VIII) of section 1902(a)(10)(A)(i)’ in**
28 **paragraph (1)** shall apply to individuals who but for the ~~amendment~~ **amendments** made by
29 section 30721(a)(1)(A)(i)(II) of the Act titled ‘An Act to provide for reconciliation pursuant
30 to title II of S. Con. Res. 14’ would be eligible under the State plan (or waiver) for medical
31 assistance under section 1902(a)(10)(A)(i)(VIII) for the period beginning on the first day
32 occurring after the end of such 60-day period and ending on the last day of the month in
33 which the 12-month period (beginning on the last day of ~~her~~ **the pregnancy) ends.”.**

34 ~~(B)(2)~~ **TRANSITION FROM STATE OPTION.**—

35 ~~(i)(A)~~ **IN GENERAL.**—Section 1902(e)(16)(A) of the Social Security Act (42 U.S.C.
36 1396a(e)(16)(A)) is amended by striking “At the option of the State” and inserting
37 “For any fiscal year quarter with respect to which paragraph (5)(B) does not apply, at
38 the option of the State”.

39 ~~(ii)(B)~~ **CONFORMING AMENDMENT.**—Section 9812(b) of the American Rescue Plan
40 Act of 2021 (Public Law 117–2) is amended by striking “during the 5-year period”.

41 ~~(C)(3)~~ **EFFECTIVE DATE.**—

1 ~~(i)~~**(A)** IN GENERAL.—Subject to ~~clauses (i) subparagraphs (B) and (ii)(C),~~ the
2 amendments made by this paragraph shall take effect on the 1st day of the 1st fiscal
3 year quarter that begins one year after the date of the enactment of this Act and shall
4 apply with respect to medical assistance provided on or after such date.

5 ~~(ii)(B)~~ EXCEPTION FOR CERTAIN AMERICAN RESCUE PLAN ACT OF 2021 CONFORMING
6 AMENDMENTS.—The amendments made by ~~items (aa), (bb), and (dd) of subparagraph~~
7 ~~(A)(ii)(IV)~~ **subclauses (I), (II), and (III) of paragraph (1)(B)(iv)** shall take effect on
8 the first day of the first fiscal year quarter that begins one year after the date of the
9 enactment of the American Rescue Plan Act of 2021 and shall apply with respect to
10 medical assistance provided on or after such date.

11 ~~(iii)(C)~~ EXCEPTION FOR STATE LEGISLATION.—In the case of a State plan under title
12 XIX of the Social Security Act (42 U.S.C. 1396 through 1396w-6) that the Secretary of
13 Health and Human Services determines requires State legislation in order for the plan
14 to meet any requirement imposed by amendments made by this ~~paragraph~~ **subsection**,
15 the plan shall not be regarded as failing to comply with the requirements of such title
16 solely on the basis of its failure to meet such a requirement before the first day of the
17 first calendar quarter beginning after the close of the first regular session of the State
18 legislature that begins after the date of the enactment of this Act. For purposes of the
19 previous sentence, in the case of a State that has a 2-year legislative session, each year
20 of the session shall be considered to be a separate regular session of the State
21 legislature.

22 ~~(2)~~**(b)** CHIP.—

23 ~~(A)(1)~~ REQUIRING FULL BENEFITS FOR PREGNANT AND POSTPARTUM WOMEN FOR
24 12-MONTH PERIOD POST PREGNANCY.—

25 ~~(i)~~**(A)** IN GENERAL.—Section 2107(e)(1)(J) of the Social Security Act (42 U.S.C.
26 1397gg(e)(1)(J)) is amended—

27 ~~(i)~~**(i)** by striking “Paragraphs (5) and (16)” and inserting “(i) For any fiscal year
28 quarter with respect to which paragraph (5)(B) of **section 1902(e)** does not apply,
29 paragraphs (5)(A) and ~~(16)~~; **and (16) of such section**”; and

30 ~~(ii)~~**(ii)** by adding at the end the following new clause:

31 “(ii) For any fiscal year quarter (beginning with the first fiscal year quarter
32 beginning one year after the date of the enactment of the Act titled ‘An Act to provide
33 for reconciliation pursuant to title II of S. Con. Res. 14’), section 1902(e)(5)(B)
34 (requiring, notwithstanding section 2103(e)(3)(C)(ii)(I) or any other limitation under
35 this title, continuous coverage for pregnant and postpartum individuals, including 12
36 months postpartum, of medical assistance) if the State provides child health assistance
37 ~~for~~ **to targeted low-income children or pregnancy-related assistance** to targeted
38 low-income pregnant women, under the State child health plan or waiver, including
39 coverage of all items or services provided to a targeted low-income child or targeted
40 low-income pregnant woman (as applicable) under the State child health plan or
41 waiver).”.

42 ~~(ii)(B)~~ CONFORMING AMENDMENTS.—Section 2112 of the Social Security Act (42
43 U.S.C. 1397ll) is amended—

1 ~~(H)~~(i) in subsection (d)—

2 ~~(aa)~~(I) in paragraph (1), by inserting “and includes, through application of
3 section 1902(e)(5)(B) pursuant to section 2107(e)(1)(J)(ii), continuous
4 coverage for pregnant and postpartum individuals, including 12 months
5 ~~postpartum, of assistance”~~ **postpartum”** before the period at the end; and

6 ~~(bb)~~(II) in paragraph (2)(A), by striking “60-day period” and all that
7 follows through “ends” and inserting “12-month period (or, for any fiscal
8 year quarter ~~(beginning with the first fiscal year quarter beginning one year~~
9 ~~after the date of the enactment of the Act titled ‘An Act to provide for~~
10 ~~reconciliation pursuant to title II of S. Con. Res. 14’)~~ with respect to which
11 section 2107(e)(1)(J)(ii) does not apply and for which the State has not
12 adopted the option under section 1902(e)(16)(A), 60-day period) ends”; and

13 ~~(H)~~(ii) in subsection (f)(2), by striking “60-day period” and inserting
14 “12-month period (or, for any fiscal year quarter (beginning with the first fiscal
15 year quarter beginning one year after the date of the enactment of the Act titled
16 ‘An Act to provide for reconciliation pursuant to title II of S. Con. Res. 14’) with
17 respect to which section 2107(e)(1)(J)(ii) does not apply and for which the State
18 has not adopted the option under section 1902(e)(16)(A), 60-day period”.

19 ~~(B)~~(2) TRANSITION FROM STATE PLAN OPTION.—Section 9822(b) of the American Rescue
20 Plan Act of 2021 (Public Law 117–2) is amended by striking “5“, **during the 5-year**
21 period”.

22 ~~(C)~~(3) EFFECTIVE DATE.—

23 ~~(i)~~(A) IN GENERAL.—Subject to ~~clause (ii)~~ **subparagraph (B)**, the amendments
24 made by this ~~paragraph~~ **subsection** shall take effect on the 1st day of the 1st fiscal year
25 quarter that begins one year after the date of the enactment of this Act and shall apply
26 with respect to child health assistance and pregnancy-related assistance, as applicable,
27 provided on or after such date.

28 ~~(ii)~~(B) EXCEPTION FOR STATE LEGISLATION.—In the case of a State child health plan
29 under title XXI of the Social Security Act (42 U.S.C. 1397aa through 1397mm) that
30 the Secretary of Health and Human Services determines requires State legislation in
31 order for the plan to meet any requirement imposed by amendments made under this
32 ~~paragraph~~ **subsection**, the plan shall not be regarded as failing to comply with the
33 requirements of such title solely on the basis of its failure to meet such a requirement
34 before the first day of the first calendar quarter beginning after the close of the first
35 regular session of the State legislature that begins after the date of the enactment of this
36 Act. For purposes of the previous sentence, in the case of a State that has a 2-year
37 legislative session, each year of the session shall be considered to be a separate regular
38 session of the State legislature.

39 ~~(b) Providing for 1 Year of Continuous Eligibility for~~
40 ~~Children.—~~ **SEC. 30722. STATE OPTION TO PROVIDE**
41 **COORDINATED CARE THROUGH A MATERNAL**

1 **HEALTH HOME FOR PREGNANT AND POSTPARTUM** 2 **INDIVIDUALS.**

3 ~~(1) Under the medicaid program.— Title XIX of the Social Security Act (42 U.S.C. 1396a)~~
4 ~~is amended by inserting after section 1945A the following new section:~~

5
6 ~~* 12 (A) In general.— Section 1902(e) of the Social Security Act~~
7 ~~(42 U.S.C. 1396a(e)) is amended—~~

8
9 ~~* 13 (i) in paragraph (12), by inserting “before the date that is~~
10 ~~one year after the date of the enactment of paragraph (17)” after~~
11 ~~“subsection (a)(10)(A)”;~~ and

12 ~~(ii) by adding at the end following new paragraph:~~

13
14 ~~* 14 “(17) 1 year of continuous eligibility for children.— The~~
15 ~~State plan (or waiver of such State plan) shall provide that an~~
16 ~~individual who is under the age of 19 and who is determined to~~
17 ~~be eligible for benefits under a State plan (or waiver of such~~
18 ~~plan) approved under subsection (a)(10)(A) shall remain eligible~~
19 ~~for such benefits until the earlier of—~~

20
21 ~~* 15 “(A) the end of the 12 month period beginning on the date~~
22 ~~of such determination;~~

23 ~~“(B) the time that such individual attains the age of 19; or~~

24 ~~“(C) the date that such individual ceases to be a resident of such~~
25 ~~State.”.~~

26 ~~(B) Effective date.—~~

1 ~~* 16 (i) In general.— Subject to clause (ii), the amendments~~
2 ~~made by subparagraph (A)(ii) shall take effect one year after the~~
3 ~~date of enactment of this Act.~~

4
5 ~~* 17 (ii) Exception for state legislation.— In the case of a State~~
6 ~~plan under title XIX of the Social Security Act (42 U.S.C. 1396~~
7 ~~through 1396w-6) that the Secretary of Health and Human~~
8 ~~Services determines requires State legislation in order for the~~
9 ~~plan to meet any requirement imposed by amendments made~~
10 ~~under subparagraph (A)(ii), the plan shall not be regarded as~~
11 ~~failing to comply with the requirements of such title solely on~~
12 ~~the basis of its failure to meet such a requirement before the first~~
13 ~~day of the first calendar quarter beginning after the close of the~~
14 ~~first regular session of the State legislature that begins after the~~
15 ~~date of the enactment of this Act. For purposes of the previous~~
16 ~~sentence, in the case of a State that has a 2-year legislative~~
17 ~~session, each year of the session shall be considered to be a~~
18 ~~separate regular session of the State legislature.~~

19
20 ~~* 18 (2) Under the children's health insurance~~
21 ~~program.— Section 2107(e)(1) of the Social Security Act (42~~
22 ~~U.S.C. 1397gg(e)(1)) is amended—~~

23
24 ~~* 19 (A) by redesignating subparagraphs (K) through (T) as~~
25 ~~subparagraphs (L) through (U), respectively; and~~
26 ~~(B) by inserting after subparagraph (J) the following new~~
27 ~~subparagraph:~~

1 ~~* 20 “(K) Section 1902(e)(17) (relating to 1 year of continuous-~~
2 ~~eligibility for children).”.~~

3
4 ~~* 21 (c) Revisions to Temporary Increase of Medicaid FMAP-~~
5 ~~Under the Families First Coronavirus Response Act.—Section-~~
6 ~~6008 of the Families First Coronavirus Response Act (42 U.S.C.~~
7 ~~1396d note) is amended—~~

8 ~~(1) in subsection (a)—~~

9 ~~(A) by striking “In General. Subject to” and inserting-~~
10 ~~“Temporary Increase.—~~

11 ~~“(1) In general. Subject to”;~~

12 ~~(B) in the paragraph (1) inserted by subparagraph (A)—~~

13
14 ~~* 22 (i) by striking “the last day of the calendar quarter in which-~~
15 ~~the last day of such emergency period occurs” and inserting-~~
16 ~~“September 30, 2022”; and~~

17
18 ~~* 23 (ii) by striking “6.2 percentage points” and inserting “the-~~
19 ~~number of percentage points specified in paragraph (2) with-~~
20 ~~respect to such calendar quarter”; and~~

21 ~~(C) by adding at the end the following new paragraph:~~

22
23 ~~* 24 “(2) Percentage points specified.—For purposes of-~~
24 ~~paragraph (1), the number of percentage points specified in this-~~
25 ~~paragraph is—~~

1 ~~* 25 “(A) 6.2 percentage points with respect to each calendar~~
2 ~~quarter occurring during the period beginning on the first day of~~
3 ~~the emergency period defined in paragraph (1)(B) of section~~
4 ~~1135(g) of the Social Security Act (42 U.S.C. 1320b-5(g)) and~~
5 ~~ending March 31, 2022;~~

6
7 ~~* 26 “(B) 3.0 percentage points with respect to the calendar~~
8 ~~quarter beginning on April 1, 2022, and ending on June 30,~~
9 ~~2022; and~~

10
11 ~~* 27 “(C) 1.5 percentage points with respect to the calendar~~
12 ~~quarter beginning on July 1, 2022, and ending on September 30,~~
13 ~~2022.”;~~

14 ~~(2) in subsection (b)(3) —~~

15
16 ~~* 28 (A) by striking “the State fails” and inserting “subject to~~
17 ~~subsection (f), the State fails”;~~

18
19 ~~* 29 (B) by striking “and ending the last day of the month in~~
20 ~~which the emergency period described in subsection (a) ends”~~
21 ~~and inserting “and ending on March 31, 2022,”; and~~

22
23 ~~* 30 (C) by striking “through the end of the month in which~~
24 ~~such emergency period ends” and inserting “through September~~
25 ~~30, 2022,”;~~

26 ~~(3) by redesignating the second subsection (d), as added by~~
27 ~~section 11 of division X of the Consolidated Appropriations Act,~~

1 ~~2021 (Public Law 116260), as subsection (e); and~~
2 ~~(4) by adding at the end the following new subsection:~~

3
4 ~~* 31 “(f) Special Rule for Enrollments as of April 1, 2022.— For~~
5 ~~calendar quarters during the period described in subsection (a)~~
6 ~~that begin on or after April 1, 2022, a State described in such~~
7 ~~subsection may, in accordance with paragraph (3), terminate~~
8 ~~coverage for an individual who is determined to be no longer~~
9 ~~eligible for medical assistance and who has been enrolled for at~~
10 ~~least 12 consecutive months under the State plan of such State~~
11 ~~under title XIX of the Social Security Act (42 U.S.C. 1396) (or~~
12 ~~waiver of such plan), and such State shall not be ineligible for~~
13 ~~the increase to the Federal medical assistance percentage of the~~
14 ~~State described in such subsection on the basis that the State is~~
15 ~~in violation of the requirement of subsection (b)(3), if the State,~~
16 ~~with respect to such terminations of coverage conducted through~~
17 ~~September 30, 2022, for such individuals, is in compliance with~~
18 ~~each of the following:~~

19 ~~“(1) The State shall conduct such eligibility redeterminations,~~
20 ~~with respect to such an individual, in accordance with the~~
21 ~~provisions of section 435.916 of title 42 of the Code of Federal~~
22 ~~Regulations (or any successor regulation), based on the current~~
23 ~~circumstances of such individual.~~

24 ~~“(2) In the case of such an individual, the State shall assess~~
25 ~~whether the individual is eligible for all categories under the~~
26 ~~State plan (or waiver).~~

27 ~~“(3) In the case of such an individual determined ineligible~~
28 ~~pursuant to such a redetermination of medical assistance under~~
29 ~~the State plan (or waiver) for all eligibility categories under the~~

1 ~~State plan (or waiver), the State shall comply with the~~
2 ~~requirements of section 1943 of the Social Security Act (42~~
3 ~~U.S.C. 1396w3), including that the State shall determine~~
4 ~~potential eligibility for, and as appropriate, transfer via a secure~~
5 ~~electronic interface the individual's electronic account to, other~~
6 ~~insurance affordability programs.~~

7
8 * 32 ~~“(4) Prior to terminating coverage for an individual, the~~
9 ~~State shall undertake a good faith effort to ensure that the State~~
10 ~~has contact information (including an up to date mailing~~
11 ~~address, phone number, or email address) for such individuals~~
12 ~~by confirming with Medicaid managed care organizations~~
13 ~~(where applicable), and other applicable State health and human~~
14 ~~services agencies.~~

15
16 * 33 ~~“(5) The State may not disenroll from the State plan (or~~
17 ~~waiver) such an individual determined ineligible pursuant to~~
18 ~~such a redetermination for medical assistance under the State~~
19 ~~plan (or waiver) on the basis of returned mail unless—~~

20 ~~“(A) there have been at least two failed attempts to contact such~~
21 ~~individual; and~~

22 ~~“(B) after the second attempt, the individual had 30 days notice~~
23 ~~before such disenrollment takes effect.~~

24
25 * 34 ~~“(6) The State may not initiate such eligibility~~
26 ~~redeterminations for more than 1/12 of such individuals enrolled~~
27 ~~in the State plan (or waiver) with respect to any month during~~
28 ~~the period beginning on April 1, 2022, and ending on September~~

1 ~~30, 2022.~~

2

3 ~~* 35 “(7) The State shall submit to the Secretary monthly reports~~
4 ~~during the period described in subsection (a) that begin on or~~
5 ~~after April 1, 2022 which the State receives an increase pursuant~~
6 ~~to such subsection period on the activities of the State,~~
7 ~~including, with respect to the period for which the report is~~
8 ~~submitted—~~

9 ~~“(A) the number of cases of such eligibility redeterminations~~
10 ~~conducted by the State during such period in which the~~
11 ~~eligibility of such an individual for medical assistance under the~~
12 ~~State plan (or waiver) was renewed and the number of cases of~~
13 ~~such eligibility redeterminations so conducted during such~~
14 ~~period in which the eligibility of such an individual for medical~~
15 ~~assistance under the State plan (or waiver) was terminated;~~

16 ~~“(B) the number of such cases in which eligibility for medical~~
17 ~~assistance under the State plan (or waiver) were so terminated~~
18 ~~pursuant to such a redetermination due to insufficient~~
19 ~~documentation related to verification of eligibility;~~

20

21 ~~* 36 “(C) the number of such cases in which eligibility for~~
22 ~~medical assistance under the State plan (or waiver) were so~~
23 ~~terminated pursuant to such a redetermination due to a known~~
24 ~~change in circumstance;~~

25 ~~“(D) the number of individuals whose coverage was terminated~~
26 ~~pursuant to such a redetermination who, during such period,~~
27 ~~transferred to a qualified health plan through an Exchange,~~
28 ~~CHIP, or basic health program pursuant to paragraph (3); and~~

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~~* 37 “(E) with respect to eligibility redeterminations, the average volume, wait times, and abandonment rate (as determined by the Secretary) for each call center during such month.”.~~

~~(d) Allowing for Medical Assistance Under Medicaid for Inmates During 30-day Period Preceding Release.—~~

~~* 38 (1) In general.— The subdivision (A) following paragraph (31) of section 1905(a) of the Social Security Act (42 U.S.C. 1396d(a)) is amended by inserting “and, beginning on the first day of the first fiscal year quarter that begins two years after the date of the enactment of the Act titled ‘An Act to provide for reconciliation pursuant to title II of S. Con. Res. 14’, except during the 30-day period preceding the date of release of an inmate of a public institution” after “medical institution”.~~

~~(2) Conforming amendments.— Section 1902(a) of the Social Security Act (42 U.S.C. 1396a(a)) is amended—~~

~~(A) in paragraph (74), by striking at the end “and”; and~~

~~(B) in paragraph (84)—~~

~~* 39 (i) in subparagraph (A), by inserting “, except, beginning on the first day of the first fiscal year quarter that begins two years after the date of the enactment of the Act titled ‘An Act to provide for reconciliation pursuant to title II of S. Con. Res. 14’, the State may not suspend coverage during the 30-day period preceding the expected date of release of the juvenile” after “during the period the juvenile is such an inmate”; and~~

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~~* 40 (ii) in subparagraph (C), by striking “upon release” and inserting “30 days prior to release”.~~

~~(e) Extension of Certain Provisions.—~~

~~* 41 (1) Express lane eligibility option.— Section 1902(e)(13) of the Social Security Act (42 U.S.C. 1396a(e)(13)) is amended by striking subparagraph (I).~~

~~* 42 (2) Conforming amendments for assurance of affordability standard for children and families.— Section 1902(gg)(2) of the Social Security Act (42 U.S.C. 1396a(gg)(2)) is amended—~~

~~(A) in the paragraph heading, by striking “through september 30, 2027”; and~~

~~* 43 (B) by striking “through September 30” and all that follows through “ends on September 30, 2027” and inserting “(but beginning on October 1, 2019,”.~~

~~(f) State Option to Provide Coordinated Care Through a Maternal Health Home for Pregnant and Postpartum Individuals.— Title XIX of the Social Security Act (42 U.S.C. 1396a) is amended by inserting after section 1945A the following new section:~~

~~“SEC. 1945B. STATE OPTION TO PROVIDE
COORDINATED CARE THROUGH A MATERNAL
HEALTH HOME FOR PREGNANT AND POSTPARTUM
INDIVIDUALS.~~

~~“(a) In General.—Notwithstanding section 1902(a)(1) (relating to statewideness) and section~~

1 1902(a)(10)(B) (relating to comparability), beginning 24 months after the date of enactment of
2 this section, a State, at its option as a State plan amendment, may provide for medical assistance
3 under this title to eligible individuals who choose to enroll in a maternal health home under this
4 section and receive maternal health home services from a designated provider, a team of health
5 professionals operating with such a provider, or a health team.

6 “(b) Maternal Health Home Qualification Standards.—A maternal health home under this
7 section shall demonstrate to the State the ability to do the following:

8 “(1) Develop an individualized comprehensive care plan for each eligible individual,
9 working in a culturally and linguistically appropriate manner with such individual to
10 develop and incorporate such care plan in a manner consistent with such individual’s needs
11 and choices, including—

12 “(A) primary care;

13 “(B) inpatient care;

14 “(C) social support services;

15 “(D) local hospital emergency care;

16 “(E) care management and planning related to a change in an eligible individual’s
17 eligibility for medical assistance or a change in health insurance coverage as needed;
18 and

19 “(F) behavioral health services.

20 “(2) Coordinate all necessary services to support prenatal, labor and delivery, and
21 postpartum care for eligible individuals.

22 “(3) Coordinate access to specialists, behavioral health providers, early intervention
23 services, and pediatricians.

24 “(4) Collect and report information under subsection (d).

25 “(c) Payments.—

26 “(1) IN GENERAL.—A State shall provide a designated provider, a team of health
27 professionals operating with such a provider, or a health team with payments for the
28 provision of maternal health home services to each eligible individual enrolled in a maternal
29 health home. Payments for maternal health home services made to a designated provider, a
30 team of health professionals operating with such a provider, or a health team shall be treated
31 as payments for medical assistance for purposes of section 1903(a), except that, during the
32 first 8 fiscal quarters that the State plan amendment is in effect, the Federal medical
33 assistance percentage otherwise applicable to such payments shall be increased by 15
34 percentage points, not to exceed 90 percent.

35 “(2) METHODOLOGY.—

36 “(A) IN GENERAL.—The State shall specify in the State plan amendment the
37 methodology the State will use for determining payment for the provision of maternal
38 health home services. Such methodology for determining payment—

39 “(i) may be tiered or adjusted to reflect, with respect to each individual
40 provided such services by a designated provider, a team of health care

1 professionals operating with such a provider, or a health team, the acuity of each
2 individual receiving care, or the specific capabilities of the provider, team of
3 health care providers, or health team; and

4 “(ii) shall be established consistent with section 1902(a)(30)(A).

5 “(B) ALTERNATE MODEL OF PAYMENT.—The methodology for determining payment
6 for provision of maternal health home services under this section shall not be limited to
7 a fee-for-service or per-member per-month payment model, and may provide for
8 alternate models of payment that reflect the needs of a State, subject to the approval of
9 the Secretary.

10 “(3) PLANNING GRANTS.—

11 “(A) IN GENERAL.—Beginning 12 months after the date of enactment of this section,
12 the Secretary may award planning grants to States for purposes of developing a State
13 plan amendment under this section. A planning grant awarded to a State under this
14 paragraph shall remain available until expended.

15 “(B) STATE CONTRIBUTION.—A State awarded a planning grant shall contribute an
16 amount equal to the State percentage determined under section 1905(b) for each fiscal
17 year for which the grant is awarded.

18 “(C) APPROPRIATIONS.—In addition to amounts otherwise available, there is
19 appropriated for fiscal year 2022, out of any money in the Treasury not otherwise
20 appropriated, to remain available until expended, to carry out this paragraph,
21 \$5,000,000 for awarding grants under this section.

22 “(d) Data Collection and Reporting.—

23 “(1) PROVIDER REPORTING REQUIREMENTS.—

24 “(A) IN GENERAL.—In order to receive payments from a State under subsection (c),
25 a designated provider, a team of health professionals operating with such a provider, or
26 a health team shall report to the State, in accordance with such requirements as the
27 Secretary shall specify, the following:

28 “(i) With respect to each such designated provider, team of health
29 professionals, or health team, the name, national provider identification number,
30 address, and specific maternal health home services offered to be provided to
31 eligible individuals who have selected such designated provider, team of health
32 professionals, or health team as the maternal health home of such eligible
33 individuals.

34 “(ii) Information on all applicable measures for determining the quality of
35 maternal health home services provided by such designated provider, team of
36 health professionals, or health team, including, to the extent applicable, the core
37 set of child health quality measures published under section 1139A, the core set of
38 adult health quality measures for Medicaid eligible adults published under section
39 1139B, and maternal health quality measures.

40 “(B) USE OF HEALTH INFORMATION TECHNOLOGY.—A designated provider, a team of
41 health professionals operating with such a provider, or a health team shall use, to the

1 extent practicable, health information technology to provide a State with the
2 information required under subparagraph (A) and to improve care coordination for
3 eligible individuals, such as by—

4 “(i) facilitating the review of person-centered care plans;

5 “(ii) monitoring service delivery and identifying gaps in treatment; and

6 “(iii) communicating with eligible individuals and with primary, behavioral
7 health and specialty care providers.

8 “(2) STATE REPORTING REQUIREMENTS.—A State with a State plan amendment approved
9 under this section shall collect and report to the Secretary, at such time and in such form and
10 manner as required by the Secretary, the following information:

11 “(A) The number of maternal health homes in a State in which individuals are
12 enrolled pursuant to a State plan amendment under this section.

13 “(B) The number of individuals served who selected a maternal health home,
14 disaggregated by race and ethnicity, pursuant to a State plan amendment under this
15 section.

16 “(C) Information on the quality measures applicable for maternal health home
17 services, including, to the extent applicable, the core set of child health quality
18 measures published under section 1139A, and the core set of adult health quality
19 measures for Medicaid eligible adults published under section 1139B, and maternal
20 health quality measures.

21 “(D) The type of delivery systems and payment models used to provide health home
22 services to eligible individuals enrolled in a maternal health home under a State plan
23 amendment under this section.

24 “(E) The number and characteristics of designated providers, teams of health
25 professionals, and health teams selected as maternal health homes pursuant to a State
26 plan amendment under this section.

27 “(F) Information on hospitalizations, morbidity, and mortality of eligible individuals
28 and their infants enrolled in a maternal health home in such State alongside
29 comparable data from a State’s maternal mortality review committee.

30 “(G) A report on best practices for effective strategies in coordinating care to
31 support access to comprehensive maternal health services.

32 “(H) Information reported to the State under paragraph (1).

33 “(e) State Plan Amendment.—

34 “(1) IN GENERAL.—A State plan amendment submitted pursuant to this section shall
35 include—

36 “(A) eligibility criteria for maternal health homes;

37 “(B) services available to eligible individuals through the maternal health home;

38 “(C) a description of providers that may provide care through a maternal health
39 home, and that include how such State will ensure any provider arrangement offered

1 includes a person-centered planning approach to determining necessary services and
2 supports and providing the appropriate care coordination to meet clinical and
3 non-clinical needs of eligible individuals; and

4 “(D) reimbursement methodologies (as described in subsection (c)(2)).

5 “(2) HOSPITAL NOTIFICATION.—A State with a State plan amendment approved under this
6 section shall require each hospital that is a participating provider under the State plan (or a
7 waiver of such plan) to establish procedures for, in the case of an individual who is enrolled
8 in a maternal health home pursuant to this section and seeks treatment in the emergency
9 department of such hospital, notifying the health home of such individual of such treatment.

10 “(3) EDUCATION WITH RESPECT TO AVAILABILITY OF MATERNAL HEALTH HOME
11 SERVICES.—In order for a State plan amendment to be approved under this section, a State
12 shall include in the State plan amendment—

13 “(A) a description of the State’s process for educating providers participating in the
14 State plan (or a waiver of such plan) on the availability of maternal health home
15 services, including the process by which such providers can refer individuals to a
16 designated provider, team of health care professionals operating such a provider, or
17 health team for the purpose of establishing a maternal health home through which such
18 individuals may receive such services; and

19 “(B) a description of the State’s process for educating individuals on the availability
20 of such services.

21 “(4) CONFIDENTIALITY.—A State with a State plan amendment approved under this
22 section shall establish confidentiality protections to ensure, at a minimum, that the State
23 does not disclose any identifying information with respect to any specific mortality case
24 (including pursuant to the reporting of information required under subsection (d)(2)(F)).

25 “(f) Rule of Construction.—Nothing in this section shall be construed—

26 “(1) to require an eligible individual to enroll in, or prohibit an eligible individual from
27 disenrolling at any time from, a maternal health home under this section; or

28 “(2) to require a designated provider, team of health professionals, or health team to act
29 as a maternal health home and provide services in accordance with this section if the
30 designated provider, team of health professionals, or health team does not voluntarily agree
31 to act as a maternal health home.

32 “(g) Definitions.—In this section:

33 “(1) DESIGNATED PROVIDER.—The term ‘designated provider’ means a physician, clinical
34 practice or clinical group practice, rural health clinic, freestanding birth center, community
35 health center, obstetrician gynecologist, midwife who meets at a minimum the international
36 definition of the midwife and global standards for midwifery education as established by the
37 International Confederation of Midwives, or any other **health care** entity or provider
38 determined by the State and approved by the Secretary to be qualified to act as a maternal
39 health home.

40 “(2) ELIGIBLE INDIVIDUAL.—The term ‘eligible individual’ means an individual eligible
41 for medical assistance under the State plan or under a waiver of such plan who—

1 “(A) is pregnant or in the postpartum period that begins on the last day of the
2 pregnancy and ends on the last day of the month in which the 12-month period
3 (beginning on the last day of the pregnancy of the individual) ends (or, if the State
4 provides for a longer period of postpartum coverage period under such plan or waiver,
5 on the last day of such longer period); and

6 “(B) is not enrolled in a health home under section 1945 or 1945A.

7 “(3) HEALTH TEAM.—The term ‘health team’ has the meaning given such term for
8 purposes of section 3502 of Public Law 111–148.

9 “(4) MATERNAL HEALTH HOME.—The term ‘maternal health home’ means a designated
10 provider (including a provider that operates in coordination with a team of health care
11 professionals), or a health team selected by a State to provide maternal health home services
12 to pregnant and postpartum individuals.

13 “(5) MATERNAL HEALTH HOME SERVICES.—

14 “(A) IN GENERAL.—The term ‘maternal health home services’ means comprehensive
15 and timely high-quality services described in subparagraph (B) that are provided by a
16 designated provider, a team of health professionals operating with such a provider, or a
17 health team.

18 “(B) SERVICES DESCRIBED.—The services described in this subparagraph shall
19 include—

20 “(i) a standardized risk assessment for all participants to determine needs;

21 “(ii) comprehensive care management;

22 “(iii) care coordination and health promotion;

23 “(iv) comprehensive transitional care, including arranging appropriate
24 follow-up, for individuals transitioning from inpatient care to other settings;

25 “(v) individual and family support (including authorized representatives);

26 “(vi) making referrals to other medical, community, and social support
27 services, if relevant; and

28 “(vii) the use of health information technology to link services and coordinate
29 care, to the extent practicable.

30 “(6) STANDARDIZED RISK ASSESSMENT.—The term ‘standardized risk assessment’ means
31 an assessment to determine the needs of an eligible individual, and shall include an
32 assessment of medical, obstetric, behavioral health, and social needs performed at the initial
33 prenatal or postpartum visit.

34 “(7) TEAM OF HEALTH PROFESSIONALS.—The term ‘team of health professionals’ means a
35 team of health professionals (as described in the State plan amendment under this section)
36 that may—

37 “(A) include physicians, midwives who meet at a minimum the international
38 definition of the midwife and global standards for midwifery education as established
39 by the International Confederation of Midwives, nurses, nurse care coordinators,
40 nutritionists, social workers, doulas, behavioral health professionals, community health

1 workers, translators and interpreters, and other professionals determined to be
2 appropriate by the State;

3 “(B) a health care entity or individual who is designated to coordinate such a team;
4 and

5 “(C) provide care at a facility that is freestanding, virtual, or based at a hospital,
6 freestanding birth center, community health center, community mental health center,
7 rural clinic, clinical practice or clinical group practice, academic health center,
8 children’s hospital, or any **health care** entity determined to be appropriate by the State
9 and approved by the Secretary.”

10
11 ~~* 66 (g) Funding for Implementation and Administration.—In~~
12 ~~addition to amounts otherwise available, there is appropriated to~~
13 ~~the Secretary, for fiscal year 2022, to be available until~~
14 ~~expended, out of any money in the Treasury not otherwise~~
15 ~~appropriated, \$20,000,000, to provide technical assistance and~~
16 ~~guidance and cover administrative costs associated with~~
17 ~~implementing the amendments made by this section.~~

18 ~~SEC. 30722. INVESTMENTS TO EXPAND ACCESS TO~~
19 ~~BEHAVIORAL HEALTH.~~

20 ~~(a) Expansion of Community Mental Health Services~~
21 ~~Demonstration Program.—~~

22
23 ~~* 44 (1) In general.—Section 223 of the Protecting Access to~~
24 ~~Medicare Act of 2014 (42 U.S.C. 1396a note) is amended—~~
25 ~~(A) in subsection (c), by adding at the end the following new~~
26 ~~paragraph:~~

27
28 ~~* 45 “(3) Additional planning grants.—In addition to the~~
29 ~~planning grants awarded under paragraph (1), the Secretary shall~~
30 ~~award planning grants to States (other than States selected to~~
31 ~~conduct demonstration programs under paragraph (1) or (8) of~~

1 ~~subsection (d)) for the purpose of developing proposals to~~
2 ~~participate in time limited demonstration programs described in~~
3 ~~subsection (d).”;~~

4 ~~(B) in subsection (d)—~~

5
6 ~~* 46 (i) in paragraph (3), by striking “Subject to paragraph (8)”~~
7 ~~and inserting “Subject to paragraphs (8) and (9)”;~~

8
9 ~~* 47 (ii) in paragraph (5)(C)(iii)(II), by inserting “or paragraph~~
10 ~~(9)” after “paragraph (8)”;~~

11 ~~(iii) in paragraph (7)(B)—~~

12 ~~(I) by striking “December 31, 2021” and inserting “March 31,~~
13 ~~2026”;~~

14
15 ~~* 48 (II) by striking “recommendations concerning” and all that~~
16 ~~follows through the period and inserting “recommendations~~
17 ~~concerning whether and how the demonstration programs under~~
18 ~~this section should be modified.”; and~~

19
20 ~~* 49 (III) by adding at the end the following new sentence:~~
21 ~~“Such recommendations shall be based on data collected from~~
22 ~~States selected to conduct demonstration programs under~~
23 ~~paragraph (1) and, to the extent available, data collected from~~
24 ~~States selected to conduct demonstration programs under~~
25 ~~paragraphs (8) and (9).”;~~ and

26 ~~(iv) by adding at the end the following new paragraph:~~

27 ~~“(9) Further additional programs.—~~

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~~* 50 “(A) In general. In addition to the States selected under paragraphs (1) and (8) and without regard to paragraph (4), the Secretary shall select any State that meets the requirements described in subparagraph (B) to conduct a demonstration program that meets the requirements of this subsection for 2 years.~~

~~* 51 “(B) Requirements. The requirements described in this subparagraph with respect to a State are that the State—~~

~~* 52 “(i) was awarded a planning grant under paragraph (1) or (3) of subsection (c); and~~

~~* 53 “(ii) submits an application (in addition to any application that the State may have previously submitted under this section) that meets the requirements of paragraph (2)(B).~~

~~* 54 “(C) Requirements for selected states. The requirements applicable to States selected under paragraph (8) pursuant to subparagraph (C) of such paragraph shall apply in the same manner to States selected under this paragraph.”;~~

~~(C) in subsection (e), by amending paragraph (4) to read as follows:~~

~~* 55 “(4) State. The term State means each of the 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam,~~

1 ~~the Northern Mariana Islands, and American Samoa.”; and~~

2 ~~(D) in subsection (f)(1) —~~

3 ~~(i) in subparagraph (A), by striking “; and” and inserting a~~
4 ~~semicolon;~~

5
6 ~~* 56 (ii) in subparagraph (B), by striking the period and inserting~~
7 ~~“; and \$40,000,000 for fiscal year 2022; and”; and~~

8 ~~(iii) by adding at the end the following new subparagraph:~~

9
10 ~~* 57 “(C) for purposes of updating the criteria under subsection-~~
11 ~~(a) as needed for certified community behavioral health clinics-~~
12 ~~and carrying out subsections (c)(3), (d)(7), and (d)(9) (including~~
13 ~~the provision of technical assistance to States applying for~~
14 ~~planning grants under subsection (c)(3), and to conduct~~
15 ~~demonstration projects under subsection (d)(9)), \$5,000,000 for~~
16 ~~fiscal year 2022.”.~~

17
18 ~~* 58 (2) Exclusion of amounts attributable to increased fmap-~~
19 ~~from territorial caps. — Section 1108 of the Social Security Act-~~
20 ~~(42 U.S.C. 1308) is amended —~~

21
22 ~~* 59 (A) in subsection (f), in the matter preceding paragraph (1),~~
23 ~~by striking “subsections (g) and (h)” and inserting “subsections-~~
24 ~~(g), (h), and (i)”;~~ and

25 ~~(B) by adding at the end the following:~~

26
27 ~~* 60 “(i) Exclusion From Caps of Amounts Attributable to-~~

1 ~~Enhanced FMAP for Community Mental Health Services.—Any~~
2 ~~additional amount paid to Puerto Rico, the Virgin Islands,~~
3 ~~Guam, the Northern Mariana Islands, and American Samoa for~~
4 ~~expenditures for medical assistance that is attributable to an~~
5 ~~enhanced Federal medical assistance percentage applicable to~~
6 ~~such expenditures under section 223(d)(5) of the Protecting~~
7 ~~Access to Medicare Act of 2014 shall not be taken into account~~
8 ~~for purposes of applying payment limits under subsections (f)~~
9 ~~and (g).”.~~

10
11 ~~* 61 (b) Making Permanent a State Option to Provide Qualifying~~
12 ~~Community-based Mobile Crisis Intervention~~
13 ~~Services.—Section 1947 of the Social Security Act (42 U.S.C.~~
14 ~~1396w6) is amended—~~

15 ~~(1) in subsection (a), by striking “during the 5-year period”;~~

16
17 ~~* 62 (2) in subsection (c), by striking “occurring during the~~
18 ~~period described in subsection (a) that a State” and inserting “in~~
19 ~~which a State provides medical assistance for qualifying~~
20 ~~community-based mobile crisis intervention services under this~~
21 ~~section and”;~~ and

22 ~~(3) in subsection (d)(2)—~~

23
24 ~~* 63 (A) in subparagraph (A), by striking “for the fiscal year~~
25 ~~preceding the first fiscal quarter occurring during the period~~
26 ~~described in subsection (a)” and inserting “for the fiscal year~~
27 ~~preceding the first fiscal quarter in which the State provides~~
28 ~~medical assistance for qualifying community-based mobile crisis~~

1 ~~intervention services under this section”;~~ and

2
3 * ~~64 (B) in subparagraph (B), by striking “occurring during the~~
4 ~~period described in subsection (a)” and inserting “occurring~~
5 ~~during a fiscal quarter”.~~

6 ~~SEC. 30723. EXTENSION OF 100 PERCENT FEDERAL~~
7 ~~MEDICAL ASSISTANCE PERCENTAGE FOR URBAN~~
8 ~~INDIAN HEALTH ORGANIZATIONS AND NATIVE~~
9 ~~HAWAIIAN HEALTH CARE SYSTEMS.~~

10 ~~The third sentence of section 1905(b) of the Social Security Act~~
11 ~~(42 U.S.C. 1396d(b)) is amended—~~

12
13 * ~~65 (1) by striking “for the 8 fiscal year quarters beginning with~~
14 ~~the first fiscal year quarter beginning after the date of the~~
15 ~~enactment of the American Rescue Plan Act of 2021” and~~
16 ~~inserting “for the 16 quarter period that begins on April 1,~~
17 ~~2021”;~~ and

18 ~~(2) by striking “such 8 fiscal year quarters” and inserting “such~~
19 ~~16 quarter period”.~~

20
21 * ~~2 SEC. 30724. ADJUSTMENTS TO UNCOMPENSATED~~
22 ~~CARE POOLS AND DISPROPORTIONATE SHARE~~
23 ~~HOSPITAL PAYMENTS.~~

24
25 * ~~3 (a) Adjustments to Uncompensated Care Pools.—Section~~
26 ~~1903 of the Social Security Act (42 U.S.C. 1396b) is amended~~
27 ~~by adding at the end the following new subsection:~~

1

2 ~~* 4 “(cc) Excluding Expenditures for Expansion Population~~
3 ~~From Assistance Under Waivers Relating to Uncompensated~~
4 ~~Care.— With respect to a State with a State plan (or waiver of~~
5 ~~such plan) that does not provide, with respect to a fiscal year~~
6 ~~(beginning with fiscal year 2023), to all individuals described in~~
7 ~~section 1902(a)(10)(A)(i)(VIII) benchmark coverage described~~
8 ~~in section 1937(b)(1) or benchmark equivalent coverage~~
9 ~~described in section 1937(b)(2), in the case of any experimental,~~
10 ~~pilot, or demonstration project undertaken under section~~
11 ~~1115(a), with respect to such State and fiscal year, that provides~~
12 ~~for Federal assistance with respect to payments for expenditures~~
13 ~~associated with uncompensated care that is furnished for~~
14 ~~low income individuals, uninsured individuals, or underinsured~~
15 ~~individuals, such project shall exclude from the determination of~~
16 ~~such expenditures any care that is furnished with respect to such~~
17 ~~fiscal year to individuals described in section~~
18 ~~1902(a)(10)(A)(i)(VIII).”.~~

19 ~~(b) Adjustments to Disproportionate Share Hospital~~
20 ~~Payments.— Section 1923(f) of the Social Security Act (42~~
21 ~~U.S.C.1396r4(f)) is amended—~~

22

23 ~~* 5 (1) in paragraph (3)(A), by striking “paragraphs (6), (7), and~~
24 ~~(8)” and inserting “paragraphs (6), (7), (8), and (10)”;~~

25

26 ~~* 6 (2) in paragraph (6)(A)(vi), by inserting “(except paragraph~~
27 ~~(10))” before “, any other provision of law”;~~

28 ~~(3) in paragraph (7)(A), by inserting “without regard to the~~
29 ~~allotment cap under paragraph (10),” before “the Secretary”; and~~

1 ~~(4) by adding at the end the following new paragraph:~~

2 ~~“(10) Allotment cap for non expansion states.—~~

3 ~~“(A) In general.—For fiscal year 2023 and each subsequent~~
4 ~~fiscal year—~~

5
6 ~~* 7 “(i) in the case of a State with a State plan (or waiver of such~~
7 ~~plan) that, with respect to such fiscal year, does not provide to~~
8 ~~all individuals described in section 1902(a)(10)(A)(i)(VIII)~~
9 ~~benchmark coverage described in section 1937(b)(1) or~~
10 ~~benchmark equivalent coverage described in section 1937(b)(2),~~
11 ~~the DSH allotment for such State for such fiscal year is equal to~~
12 ~~87.5 percent of the DSH allotment that would (without~~
13 ~~application of paragraphs (6), (7), (8), or this paragraph) be~~
14 ~~determined under this subsection for the State for fiscal year~~
15 ~~2023;~~

16 ~~“(ii) in the case of a State with a State plan (or waiver of such~~
17 ~~plan) that, with respect to such fiscal year, is revised to not~~
18 ~~include the providing to all individuals described in section~~
19 ~~1902(a)(10)(A)(i)(VIII) benchmark coverage described in~~
20 ~~section 1937(b)(1) or benchmark equivalent coverage described~~
21 ~~in section 1937(b)(2), the DSH allotment for such State for such~~
22 ~~fiscal year is equal to the product of—~~

23 ~~“(I) 87.5 percent of the DSH allotment that would (without~~
24 ~~application of paragraphs (6), (7), (8), or this paragraph) be~~
25 ~~determined under this subsection for the State for fiscal year~~
26 ~~2023; and~~

27
28 ~~* 8 “(II) expressed as a percentage, the number of days of a~~

~~fiscal year during which such State plan (or waiver of such plan) includes, with respect to a fiscal year, the providing to such individuals such benchmark coverage or such benchmark equivalent coverage; or~~

~~“(iii) in the case of a State with a State plan (or waiver of such plan) that, with respect to such fiscal year, is revised to include the providing to all individuals described in section 1902(a)(10)(A)(i)(VIII) benchmark coverage described in section 1937(b)(1) or benchmark equivalent coverage described in section 1937(b)(2), the DSH allotment for such State for such fiscal year is equal to the DSH allotment that would (without application of paragraphs (6), (7), (8), or this paragraph) be determined under this subsection for the State for fiscal year 2023.~~

~~“(B) No application on dsh allotment for fiscal years after expansion.—The DSH allotments determined under subparagraph (A) for a State for a fiscal year shall not be taken into account in determining DSH allotments under this subsection for such State for any fiscal year with respect to which such subparagraph does not apply to such State.”.~~

PART 3—TERRITORIES

SEC. 30731. INCREASING MEDICAID CAP AMOUNTS AND THE FEDERAL MEDICAL ASSISTANCE PERCENTAGE FOR THE TERRITORIES.

(a) Cap Amount Adjustments.—Section 1108(g)(2) of the Social Security Act (42 U.S.C. 1308(g)(2)) is amended—

(1) in subparagraph (A)—

(A) in clause (i)—

(i) by striking “except as provided in clause (ii)” and inserting “for each of fiscal years 1999 through 2019”; and

(ii) by striking “and” at the end; and

1 (B) by adding at the end the following new clauses:

2 “(iii) for fiscal year 2022, \$3,600,000,000; and

3 “(iv) for fiscal year 2023 and each subsequent year, the sum of the amount
4 provided in this subsection for the preceding fiscal year, increased by the
5 percentage increase, if any, in Medicaid spending under title XIX during the
6 preceding year (as determined based on the most recent National Health
7 Expenditure data with respect to such year), rounded to the nearest \$100,000;”;

8 (2) in subparagraph (B)—

9 (A) in clause (i), by striking “except as provided in clause (ii),” and inserting “for
10 each of fiscal years 1999 through 2019,”;

11 (B) in clause (ii), by striking “and” at the end;

12 (C) by adding at the end the following:

13 “(iv) for fiscal year 2022, \$135,000,000; and

14 “(v) for fiscal year 2023 and each subsequent year, the sum of the amount
15 provided in this subsection for the preceding fiscal year, increased by the
16 percentage increase described in subparagraph (A)(iv) for the preceding year,
17 rounded to the nearest \$10,000;”;

18 (3) in subparagraph (C)—

19 (A) in clause (i), by striking “except as provided in clause (ii),” and inserting “for
20 each of fiscal years 1999 through 2019,”;

21 (B) in clause (ii), by striking “and” at the end;

22 (C) by adding at the end the following:

23 “(iv) for fiscal year 2022, \$140,000,000; and

24 “(v) for fiscal year 2023 and each subsequent year, the sum of the amount
25 provided in this subsection for the preceding fiscal year, increased by the
26 percentage increase described in subparagraph (A)(iv) for the preceding year,
27 rounded to the nearest \$10,000;”;

28 (4) in subparagraph (D)—

29 (A) in clause (i), by striking “except as provided in clause (ii),” and inserting “for
30 each of fiscal years 1999 through 2019,”;

31 (B) in clause (ii), by striking “and” at the end;

32 (C) in clause (iii), by striking “and” at the end; and

33 (D) by adding at the end the following new clauses:

34 “(iv) for fiscal year 2022, \$70,000,000; and

35 “(v) for fiscal year 2023 and each subsequent year, the sum of the amount
36 provided in this subsection for the preceding fiscal year, increased by the
37 percentage increase described in subparagraph (A)(iv) for the preceding year,

- 1 rounded to the nearest \$10,000; and”;
- 2 (5) in subparagraph (E)—
- 3 (A) in clause (i), by striking “except as provided in clause (ii),” and inserting “for
4 each of fiscal years 1999 through 2019,”;
- 5 (B) in clause (ii), by striking “and” at the end;
- 6 (C) in clause (iii), by striking the period and inserting a semicolon; and
- 7 (D) by adding at the end the following:
- 8 “(iv) for fiscal year 2022, \$90,000,000; and
- 9 “(v) for fiscal year 2023 and each subsequent year, the sum of the amount
10 provided in this subsection for the preceding fiscal year, increased by the
11 percentage increase described in subparagraph (A)(iv) for the preceding year,
12 rounded to the nearest \$10,000.”; and
- 13 (6) by striking the flush matter following subparagraph (E).
- 14 (b) FMAP Adjustments.—Section 1905(ff) of the Social Security Act (42 U.S.C. 1396d(ff)) is
15 amended—
- 16 (1) by redesignating paragraphs (1) through (3) as subparagraphs (A) through (C),
17 respectively, and adjusting the margins accordingly;
- 18 (2) by striking “Notwithstanding” and inserting the following:
- 19 “(1) IN GENERAL.—Notwithstanding”;
- 20 (3) in paragraph (1), as so inserted—
- 21 (A) in the matter preceding subparagraph (A), as so redesignated, by inserting
22 “paragraph (2) and” after “subject to”;
- 23 (B) in subparagraph (B), as so redesignated—
- 24 (i) by striking “December 3, 2021,” and inserting “September 30, 2021”; and
- 25 (ii) by striking “and” at the end;
- 26 (C) in subparagraph (C), as so redesignated, by striking “December 3, 2021,” and
27 inserting “September 30, 2021”;
- 28 (D) by adding at the end the following:
- 29 “(D) for fiscal year 2022 and each subsequent fiscal year, the Federal medical
30 assistance percentage for the Virgin Islands, Guam, the Northern Mariana Islands, and
31 American Samoa shall be equal to 83 percent;
- 32 “(E) for fiscal year 2022, the Federal medical assistance percentage for Puerto Rico
33 shall be equal to 76 percent; and
- 34 “(F) for fiscal year 2023 and each subsequent fiscal year, the Federal medical
35 assistance percentage for Puerto Rico shall be equal to 83 percent.”; and
- 36 (4) by adding at the end the following new paragraph:

1 “(2) SPECIAL RULE FOR PUERTO RICO RELATING TO ESTABLISHING A PAYMENT FLOOR.—

2 “(A) IN GENERAL.—For each fiscal quarter (beginning with the first fiscal quarter
3 beginning on or after the date of the enactment of this paragraph), Puerto Rico’s State
4 plan (or waiver of such plan) shall establish a reimbursement floor, implemented
5 through a directed payment arrangement plan, for physician services that are covered
6 under the Medicare part B fee schedule in the Puerto Rico locality established under
7 section 1848(b) that is not less than 70 percent of the payment that would apply to such
8 services if they were furnished under part B of title XVIII during such fiscal quarter.

9 “(B) APPLICATION TO MANAGED CARE.—In determining whether Puerto Rico has
10 established a reimbursement floor under a directed payment arrangement plan that
11 satisfies the requirements of subparagraph (A) for a fiscal quarter occurring during
12 fiscal year 2022 or a subsequent fiscal year—

13 “(i) the Secretary shall disregard payments made under sub-capitated
14 arrangements for services such as primary care case management; and

15 “(ii) if the reimbursement floor for physician services applicable under a
16 managed care contract satisfies the requirements of subparagraph (A) for a fiscal
17 quarter occurring during a year in which the contract is entered into or renewed,
18 such reimbursement floor shall be deemed to satisfy such requirements for each
19 subsequent fiscal quarter occurring during such year and for each fiscal quarter
20 occurring during the subsequent fiscal year.

21 “(C) FMAP REDUCTION FOR FAILURE TO ESTABLISH PAYMENT FLOOR.—

22 “(i) IN GENERAL.—In the case that the Secretary determines that Puerto Rico
23 has failed to meet the requirement of subparagraph (A) with respect to a fiscal
24 quarter, the Federal medical assistance percentage otherwise determined under
25 this subsection for Puerto Rico shall be reduced for such quarter by the applicable
26 number of percentage points described in clause (ii).

27 “(ii) APPLICABLE NUMBER OF PERCENTAGE POINTS.—For purposes of clause (i),
28 the applicable number of percentage points described in this clause is, with
29 respect to a fiscal quarter, the following:

30 “(I) In the case no reduction was made under this subparagraph for the
31 preceding fiscal quarter, 0.5 percentage points.

32 “(II) In the case a reduction was made under this subparagraph for the
33 preceding fiscal quarter, the number of percentage points of such reduction
34 for such preceding fiscal quarter, plus 0.25 percentage points, except that in
35 no case may the application of this subclause result in a reduction of more
36 than 5 percentage points.”.

37 ~~PART 4—MAINTENANCE OF EFFORT; OTHER MATTERS~~
38 ~~4—OTHER MEDICAID~~

39 **SEC. 30741. INVESTMENTS TO ENSURE CONTINUED**
40 **ACCESS TO HEALTH CARE FOR CHILDREN AND**

OTHER INDIVIDUALS.

(a) Providing for 1 Year of Continuous Eligibility for Children.—

(1) UNDER THE MEDICAID PROGRAM.—

~~* 67 SEC. 30741. ENCOURAGING CONTINUED ACCESS AFTER THE END OF THE PUBLIC HEALTH EMERGENCY.~~

~~* 68 Section 6008 of the Families First Coronavirus Response Act (42 U.S.C. 1396d note), as amended by section 30721(e), is further amended—~~

~~* 69 (1) by redesignating the second subsection (d) added by section 11 of division X of Public Law 116260 as subsection (e); and~~

~~** 12 (A) IN GENERAL.—Section 1902(e) of the Social Security Act (42 U.S.C. 1396a(e)) is amended—~~

~~** 13 (i) in paragraph (12), by inserting “before the date that is one year after the date of the enactment of paragraph (17)” after “subsection (a)(10)(A)”; and~~

(ii) by adding at the end following new paragraph:

~~** 14 “(17) 1 YEAR OF CONTINUOUS ELIGIBILITY FOR CHILDREN.—The State plan (or waiver of such State plan) shall provide that an individual who is under the age of 19 and who is determined to be eligible for benefits under a State plan (or waiver of such plan) approved under subsection (a)(10)(A) shall remain eligible for such benefits until the earlier of—~~

~~** 15 “(A) the end of the 12-month period beginning on the date of such determination;~~

~~“(B) the time that such individual attains the age of 19; or~~

~~“(C) the date that such individual ceases to be a resident of such State.”.~~

(B) EFFECTIVE DATE.—

~~** 16 (i) IN GENERAL.—Subject to clause (ii), the amendments made by subparagraph (A)(ii) shall take effect one year after the date of enactment of this Act.~~

~~** 17 (ii) EXCEPTION FOR STATE LEGISLATION.—In the case of a State plan under title XIX of the Social Security Act (42 U.S.C. 1396 through 1396w-6) that the Secretary of Health and Human Services determines requires State legislation in order for the plan to meet any requirement imposed by amendments made under subparagraph (A)(ii), the plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet such a requirement before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date~~

1 of the enactment of this Act. For purposes of the previous sentence, in the case of
2 a State that has a 2-year legislative session, each year of the session shall be
3 considered to be a separate regular session of the State legislature.

4 **** 18** (2) UNDER THE CHILDREN’S HEALTH INSURANCE PROGRAM.—Section 2107(e)(1) of
5 the Social Security Act (42 U.S.C. 1397gg(e)(1)) is amended—

6 **** 19** (A) by redesignating subparagraphs (K) through (T) as subparagraphs (L)
7 through (U), respectively; and

8 **(B) by inserting after subparagraph (J) the following new subparagraph:**

9 **** 20** “(K) Section 1902(e)(17) (relating to 1 year of continuous eligibility for
10 children).”.

11 **** 21** (e)(b) Revisions to Temporary Increase of Medicaid FMAP Under the Families First
12 Coronavirus Response Act.—Section 6008 of the Families First Coronavirus Response Act (42
13 U.S.C. 1396d note) is amended—

14 **(1) in subsection (a)—**

15 **(A) by striking “In General.—Subject to” and inserting “Temporary**
16 **Increase.—**

17 **“(1) IN GENERAL.—Subject to”;**

18 **(B) in the paragraph (1) inserted by subparagraph (A)—**

19 **** 22** (i) by striking “the last day of the calendar quarter in which the last day
20 of such emergency period occurs” and inserting “September 30, 2022”; and

21 **** 23** (ii) by striking “6.2 percentage points” and inserting “the number of
22 percentage points specified in paragraph (2) with respect to such calendar
23 quarter”; and

24 **(C) by adding at the end the following new paragraph:**

25 **** 24** “(2) PERCENTAGE POINTS SPECIFIED.—For purposes of paragraph (1), the number
26 of percentage points specified in this paragraph is—

27 **** 25** “(A) 6.2 percentage points with respect to each calendar quarter occurring
28 during the period beginning on the first day of the emergency period defined in
29 paragraph (1)(B) of section 1135(g) of the Social Security Act (42 U.S.C. 1320b-5(g))
30 and ending March 31, 2022;

31 **** 26** “(B) 3.0 percentage points with respect to the calendar quarter beginning on
32 April 1, 2022, and ending on June 30, 2022; and

33 **** 27** “(C) 1.5 percentage points with respect to the calendar quarter beginning on
34 July 1, 2022, and ending on September 30, 2022.”;

35 **(2) in subsection (b)(3)—**

36 **** 28** (A) by striking “the State fails” and inserting “subject to subsection (f), the
37 State fails”;

38 **** 29** (B) by striking “and ending the last day of the month in which the emergency

1 period described in subsection (a) ends” and inserting “and ending on March 31,
2 2022,”; and

3 ** 30 (C) by striking “through the end of the month in which such emergency period
4 ends” and inserting “through September 30, 2022,”; and

5 (2)(3) by adding at the end the following new subsection:

6 ** 31 “(f) Special Rule for Enrollments as of April 1, 2022.—For calendar quarters during the
7 period described in subsection (a) that begin on or after April 1, 2022, a State described in such
8 subsection may, in accordance with paragraph (3), terminate coverage for an individual who is
9 determined to be no longer eligible for medical assistance and who has been enrolled for at least
10 12 consecutive months under the State plan of such State under title XIX of the Social Security
11 Act (42 U.S.C. 1396) (or waiver of such plan), and such State shall not be ineligible for the
12 increase to the Federal medical assistance percentage of the State described in such subsection on
13 the basis that the State is in violation of the requirement of subsection (b)(3), if the State, with
14 respect to such terminations of coverage conducted through September 30, 2022, for such
15 individuals, is in compliance with each of the following:

16
17 ~~* 70 “(g) Encouraging Continued Access After the End of the Public Health-~~
18 ~~Emergency.—~~

19
20 ~~* 71 “(1) In general.—Subject to paragraph (2), if, between September 1, 2022 and~~
21 ~~December 31, 2025, a State puts into effect for any calendar quarter occurring during such~~
22 ~~period eligibility standards for individuals (except individuals described in subparagraph~~
23 ~~(D) of section 1902(e)(14)) who are applying for or receiving medical assistance,~~
24 ~~methodologies, or procedures under the State plan of such State under title XIX of the~~
25 ~~Social Security Act (42 U.S.C. 1396 through 1396w-6) (including any waiver under such~~
26 ~~title or section 1115 of such Act (42 U.S.C. 1315)) that are more restrictive than the~~
27 ~~eligibility standards, methodologies, or procedures, respectively, under the State plan (or~~
28 ~~waiver of such plan) that are in effect on October 1, 2021, the Federal medical assistance~~
29 ~~percentage otherwise determined under section 1905(b) of the Social Security Act (42-~~
30 ~~U.S.C. 1396d(b)) for that State shall be reduced by 3.1 percentage points for such calendar~~
31 ~~quarter.~~

32
33 ~~* 72 “(2) Nonapplication.—During the period described in paragraph (1), at the option of~~
34 ~~the a State, the condition under such paragraph may not apply to the State with respect to~~
35 ~~nonpregnant, nondisabled adults who are eligible for medical assistance under the State plan~~
36 ~~(or waiver such plan) whose income exceeds 133 percent of the poverty line (as defined in~~
37 ~~section 2110(e)(5)) applicable to a family of the size involved if, on or after December 31,~~
38 ~~2010, the State had certified or certifies to the Secretary that, with respect to the State fiscal~~
39 ~~year during which the certification is made, the State has a budget deficit, or with respect to~~
40 ~~the succeeding State fiscal year, the State is projected to have a budget deficit. Upon~~
41 ~~submission of such a certification to the Secretary, the condition under paragraph (1) shall~~
42 ~~not apply to the State with respect to any remaining portion of the period described in the~~
43 ~~preceding sentence.”.~~

1 ~~SEC. 30742. ENSURING ACCURATE PAYMENTS TO PHARMACIES UNDER~~
2 ~~MEDICAID.~~

3 ~~(a) In General.—Section 1927(f)“(1) The State shall conduct such eligibility~~
4 ~~redeterminations, with respect to such an individual, in accordance with the provisions~~
5 ~~of section 435.916 of title 42 of the Code of Federal Regulations (or any successor~~
6 ~~regulation) and the provisions of section 1943 of the Social Security Act(42 U.S.C.~~
7 ~~1396r8(f)) is amended—, as applicable.~~

8 ** 32 ~~“(4)“(2) Prior to terminating coverage for an individual, the State shall undertake a~~
9 ~~good faith effort to ensure that the State has contact information (including an up-to-date~~
10 ~~mailing address, phone number, or email address) for such individuals by ~~confirming~~~~
11 ~~**coordinating** with Medicaid managed care organizations (where applicable), and other~~
12 ~~applicable State health and human services agencies.~~

13 ** 33 ~~“(5)“(3) The State may not disenroll from the State plan (or waiver) such an~~
14 ~~individual determined ineligible pursuant to such a redetermination for medical assistance~~
15 ~~under the State plan (or waiver) on the basis of returned mail unless—~~

16 ~~“(A) there have been at least two failed attempts to contact such individual~~
17 ~~through at least 2 modalities; and~~

18 ~~“(B) after the second attempt, the individual had 30 days notice, through at~~
19 ~~least 2 modalities, before such disenrollment takes effect.~~

20 ** 34 ~~“(6)“(4) The State may not initiate such eligibility redeterminations for more than~~
21 ~~1/12 of such individuals enrolled in the State plan (or waiver) with respect to any month~~
22 ~~during the period beginning on April 1, 2022, and ending on September 30, 2022.~~

23 ** 35 ~~“(7)“(5) The State shall submit to the Secretary monthly reports during the period~~
24 ~~described in subsection (a) that begin on or after April 1, 2022 which the State receives an~~
25 ~~increase pursuant to such subsection period on the activities of the State, including, with~~
26 ~~respect to the period for which the report is submitted—~~

27 ~~“(A) the number of eligibility renewals initiated, beneficiaries renewed, and~~
28 ~~individuals whose eligibility was terminated;~~

29 ~~“(B) the number of such cases in which eligibility for medical assistance under~~
30 ~~the State plan (or waiver) were so terminated due to the individual’s failure to~~
31 ~~return a renewal form or other information needed by the state to make an~~
32 ~~eligibility determination;~~

33 ~~“(C) the number of such cases in which eligibility for medical assistance~~
34 ~~under the State plan (or waiver) were so terminated pursuant to such a redetermination~~
35 ~~due to a known change in circumstance;~~

36 ~~“(D) the number of individuals whose coverage was terminated pursuant to~~
37 ~~such a redetermination whose accounts were, during such period, transitioned to~~
38 ~~the Exchange, CHIP, or basic health program; and~~

39 ~~“(E) with respect to eligibility redeterminations, the **daily** average volume,~~
40 ~~wait times, and abandonment rate (as determined by the Secretary) for each call center~~
41 ~~during such month.”.~~

1 **(c) Medical Assistance Under Medicaid for Inmates During 30-day Period Preceding**
2 **Release.—**

3 **** 38** (1) IN GENERAL.—The subdivision (A) following paragraph (31) of section 1905(a)
4 of the Social Security Act (42 U.S.C. 1396d(a)) is amended by inserting “and, beginning on
5 the first day of the first fiscal year quarter that begins two years after the date of the
6 enactment of the Act titled ‘An Act to provide for reconciliation pursuant to title II of S.
7 Con. Res. 14’, except during the 30-day period preceding the date of release of an inmate of a
8 public institution” after “medical institution”.

9 **(2) CONFORMING AMENDMENTS IN TITLE XIX.—Section 1902(a) of the Social Security**
10 **Act (42 U.S.C. 1396a(a)) is amended—**

11 **(A) in paragraph (74), by striking at the end “and”; and**

12 **(B) in paragraph (84)—**

13 **** 39** (i) in subparagraph (A), by inserting “, except, beginning on the first day
14 of the first fiscal year quarter that begins two years after the date of the enactment
15 of the Act titled ‘An Act to provide for reconciliation pursuant to title II of S.
16 Con. Res. 14’, the State may not suspend coverage during the 30-day period
17 preceding the ~~expected~~ date of release of the juvenile” after “during the period the
18 juvenile is such an inmate”; and

19 **** 40** (ii) in subparagraph (C), by striking “upon release” and inserting “30
20 days prior to release”.

21 **(3) CONFORMING AMENDMENT IN TITLE XXI.—Section 2110(b)(2) of the Social**
22 **Security Act (42 U.S.C. 1397jj(b)(2))—**

23 **(A) in subparagraph (A), by striking at the end “or”;**

24 **(B) in subparagraph (B), by striking the period at the end and inserting “; or”;**
25 **and**

26 **(C) by adding at the end the following new subparagraph:**

27 **“(C) except, beginning on the first day of the first fiscal year quarter that**
28 **begins two years after the date of the enactment of the Act titled ‘An Act to**
29 **provide for reconciliation pursuant to title II of S. Con. Res. 14,’ except during**
30 **the 30-day period preceding the date of release of such child from such public**
31 **institution.”.**

32 **(d) Extension of Certain Provisions.—**

33 **** 41** (1) EXPRESS LANE ELIGIBILITY OPTION.—Section 1902(e)(13) of the Social Security
34 Act (42 U.S.C. 1396a(e)(13)) is amended by striking subparagraph (I).

35 **** 42** (2) CONFORMING AMENDMENTS FOR ASSURANCE OF AFFORDABILITY STANDARD FOR
36 CHILDREN AND FAMILIES.—Section 1902(gg)(2) of the Social Security Act (42 U.S.C.
37 1396a(gg)(2)) is amended—

38 **(A) in the paragraph heading, by striking “THROUGH SEPTEMBER 30, 2027”; and**

39 **** 43** (B) by striking “through September 30” and all that follows through “ends on
40 September 30, 2027” and inserting “(but beginning on October 1, 2019,”.

1 **(e) Expansion of Community Mental Health Services Demonstration Program.—**

2 **** 44** (1) IN GENERAL.—Section 223 of the Protecting Access to Medicare Act of 2014
3 (42 U.S.C. 1396a note) is amended—

4 **(A) in subsection (c), by adding at the end the following new paragraph:**

5 **** 45** “(3) ADDITIONAL PLANNING GRANTS.—In addition to the planning grants awarded
6 under paragraph (1), the Secretary shall award planning grants to States (other than States
7 selected to conduct demonstration programs under paragraph (1) or (8) of subsection (d))
8 for the purpose of developing proposals to participate in time-limited demonstration
9 programs described in subsection (d).”;

10 **(B) in subsection (d)—**

11 **** 46** (i) in paragraph (3), by striking “Subject to paragraph (8)” and inserting
12 “Subject to paragraphs (8) and (9)”;

13 **** 47** (ii) in paragraph (5)(C)(iii)(II), by inserting “or paragraph (9)” after
14 “paragraph (8)”;

15 **(iii) in paragraph (7)—**

16 **(I) in subparagraph (A), by inserting “through the year in which the**
17 **last demonstration under this section ends” after “annually thereafter”;**
18 **and**

19 **(II) in subparagraph (B)—**

20 **(aa) by striking “December 31, 2021” and inserting “March 31,**
21 **2026”;**

22 **** 48** ~~(H)~~(bb) by striking “recommendations concerning” and all that
23 follows through the period and inserting “recommendations concerning
24 whether and how the demonstration programs under this section should
25 be modified.”; and

26 **** 49** ~~(H)~~(cc) by adding at the end the following new sentence:
27 “Such recommendations shall be based on data collected from States
28 selected to conduct demonstration programs under paragraph (1) and, to
29 the extent available, data collected from States selected to conduct
30 demonstration programs under paragraphs (8) and (9).”; and

31 **(iv) by adding at the end the following new paragraph:**

32 **“(9) FURTHER ADDITIONAL PROGRAMS.—**

33 **** 50** “(A) IN GENERAL.—In addition to the States selected under paragraphs (1) and
34 (8) and without regard to paragraph (4), the Secretary shall select any State that meets
35 the requirements described in subparagraph (B) to conduct a demonstration program
36 that meets the requirements of this subsection for 2 years.

37 **** 51** “(B) REQUIREMENTS.—The requirements described in this subparagraph with
38 respect to a State are that the State—

39 **** 52** “(i) was awarded a planning grant under paragraph (1) or (3) of

1 subsection (c); and

2 ** 53 “(ii) submits an application (in addition to any application that the State
3 may have previously submitted under this section) that meets the requirements of
4 paragraph (2)(B).

5 ** 54 “(C) REQUIREMENTS FOR SELECTED STATES.—The requirements applicable to
6 States selected under paragraph (8) pursuant to subparagraph (C) of such paragraph
7 shall apply in the same manner to States selected under this paragraph.”;

8 **(C) in subsection (e), by amending paragraph (4) to read as follows:**

9 ** 55 “(4) STATE.—The term State means each of the 50 States, the District of Columbia,
10 Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, and American
11 Samoa.”; and

12 **(D) in subsection (f)(1)—**

13 **(i) in subparagraph (A), by striking “; and” and inserting a semicolon;**

14 ** 56 (ii) in subparagraph (B), by striking the period and inserting “, and
15 \$40,000,000 for fiscal year 2022; and”;

16 **(iii) by adding at the end the following new subparagraph:**

17 ** 57 “(C) for purposes of updating the criteria under subsection (a) as needed for
18 certified community behavioral health clinics and carrying out subsections (c)(3),
19 (d)(7), and (d)(9) (including the provision of technical assistance to States applying for
20 planning grants under subsection (c)(3); and ~~to conduct~~ **conducting** demonstration
21 projects under ~~subsection (d)(9)) this section), \$5,000,000 for fiscal year 2022.”.~~

22 ** 58 (2) EXCLUSION OF AMOUNTS ATTRIBUTABLE TO INCREASED FMAP FROM
23 TERRITORIAL CAPS.—Section 1108 of the Social Security Act (42 U.S.C. 1308) is
24 amended—

25 ** 59 (A) in subsection (f), in the matter preceding paragraph (1), by striking
26 “subsections (g) and (h)” and inserting “subsections (g), (h), and (i)”;

27 **(B) by adding at the end the following:**

28 ** 60 “(i) Exclusion From Caps of Amounts Attributable to Enhanced FMAP for Community
29 Mental Health Services.—Any additional amount paid to Puerto Rico, the Virgin Islands, Guam,
30 the Northern Mariana Islands, and American Samoa for expenditures for medical assistance that
31 is attributable to an enhanced Federal medical assistance percentage applicable to such
32 expenditures under section 223(d)(5) of the Protecting Access to Medicare Act of 2014 shall not
33 be taken into account for purposes of applying payment limits under subsections (f) and (g).”.

34 ** 61 ~~(b)~~(f) Making Permanent a State Option to Provide Qualifying Community-based
35 Mobile Crisis Intervention Services.—Section 1947 of the Social Security Act (42 U.S.C.
36 1396w–6) is amended—

37 **(1) in subsection (a), by striking “during the 5-year period”;**

38 ** 62 (2) in subsection (c), by striking “occurring during the period described in
39 subsection (a) that a State” and inserting “in which a State provides medical assistance for
40 qualifying community-based mobile crisis intervention services under this section and”;

1 **(3) in subsection (d)(2)—**

2 ** 63 (A) in subparagraph (A), by striking “for the fiscal year preceding the first
3 fiscal quarter occurring during the period described in subsection (a)” and inserting
4 “for the fiscal year preceding the first fiscal quarter in which the State provides
5 medical assistance for qualifying community-based mobile crisis intervention services
6 under this section”; and

7 ** 64 (B) in subparagraph (B), by striking “occurring during the period described in
8 subsection (a)” and inserting “occurring during a fiscal quarter”.

9 **(g) Extension of 100 Percent Federal Medical Assistance Percentage for Urban Indian**
10 **Health Organizations and Native Hawaiian Health Care Systems.—The third sentence of**
11 **section 1905(b) of the Social Security Act (42 U.S.C. 1396d(b)) is amended—**

12 ** 65 (1) by striking “for the 8 fiscal year quarters beginning with the first fiscal year
13 quarter beginning after the date of the enactment of the American Rescue Plan Act of 2021”
14 and inserting “for the ~~16 quarter period~~ **period of the 16 fiscal year quarters** that begins
15 on April 1, 2021”; and

16 **(2) by striking “such 8 fiscal year quarters” and inserting “such period of 16 fiscal**
17 **year quarters”.**

18 **(h) Ensuring Accurate Payments to Pharmacies Under Medicaid.—**

19 **(1) IN GENERAL.—Section 1927(f) of the Social Security Act (42 U.S.C. 1396r–8(f)) is**
20 **amended—**

21 **(A)**~~(1)~~ by striking “and” after the semicolon at the end of paragraph (1)(A)(i) and all
22 that precedes it through “(1)” and inserting the following:

23 “(1) DETERMINING PHARMACY ACTUAL ACQUISITION COSTS.—The Secretary shall conduct
24 a survey of retail community pharmacy drug prices **in the 50 States and the District of**
25 **Columbia**, to determine the national average drug acquisition cost, as follows:

26 “(A) USE OF VENDOR.—The Secretary may contract services for—

27 “(i) with respect to retail community pharmacies, the determination of retail
28 survey prices of the national average drug acquisition cost for covered outpatient
29 drugs based on a monthly survey of such pharmacies, net of all discounts and
30 rebates (to the extent any information with respect to such discounts and rebates is
31 available), the average reimbursement received for such drugs by such
32 pharmacies from all sources of payment and, to the extent available, the usual and
33 customary charges to consumers for such drugs; and”;

34 ~~(2)~~**(B)** by adding at the end of paragraph (1) the following:

35 “(F) SURVEY REPORTING.—A State shall require that any retail community
36 pharmacy in the State that receives any payment, reimbursement, administrative fee,
37 discount, or rebate related to the dispensing of covered outpatient drugs to individuals
38 receiving benefits under this title or title XXI, regardless of whether such payment, fee,
39 discount, or rebate is received from the State or a managed care entity directly or from
40 a pharmacy benefit manager or another entity that has a contract with the State or a
41 managed care entity or other specified entity (as such terms are defined in section

1 1903(m)(9)(D)), shall respond to surveys of retail prices conducted under this
2 subsection with the specific information requested by the vendor.

3 “(G) SURVEY INFORMATION.—Information on retail community actual acquisition
4 prices obtained under this paragraph shall be made publicly available and shall include
5 at least the following:

6 “(i) The monthly response rate of the survey, including a list of pharmacies not
7 in compliance with subparagraph (F) and the identification numbers for such
8 pharmacies.

9 “(ii) The sampling frame and number of pharmacies sampled monthly.

10 “(iii) Characteristics of reporting pharmacies, including type (such as
11 independent or chain), geographic or regional location, and dispensing volume.

12 “(iv) Reporting of a separate national average drug acquisition cost for each
13 drug for independent retail pharmacies and chain pharmacies.

14 “(v) Information on price concessions including on and off invoice discounts,
15 rebates, and other price concessions.

16 “(vi) Information on average professional dispensing fees paid.

17 “(H) PENALTIES.—

18 “(i) FAILURE TO PROVIDE TIMELY INFORMATION.—A retail community
19 pharmacy that knowingly fails to respond to a survey conducted under this
20 subsection on a timely basis may be subject to a civil monetary penalty in an
21 amount not to exceed \$10,000 for each day in which such information has not
22 been provided. A retail community pharmacy shall not be subject to such penalty
23 if the pharmacy makes a good faith effort to provide the information requested by
24 the survey on a timely basis.

25 “(ii) FALSE INFORMATION.—A retail community pharmacy that knowingly
26 provides false information in response to a survey conducted under this
27 subsection may be subject to a civil money penalty in an amount not to exceed
28 \$100,000 for each item of false ~~information~~; **information.”; and**

29 ~~“(iii) Other penalties.—Any civil money penalties imposed under this subparagraph~~
30 ~~shall be in addition to other penalties as may be prescribed by law. The provisions of~~
31 ~~section 1128A (other than subsections (a) and (b)) shall apply to a civil money penalty~~
32 ~~under this subparagraph in the same manner as such provisions apply to a penalty or~~
33 ~~proceeding under section 1128A(a).”; and~~

34 ~~(3)(C)~~ in paragraph (4), by inserting “, and \$7,000,000 for fiscal year 2023 and each
35 fiscal year thereafter,” after “2010”.

36 ~~(b)(2) CONDITION FOR FEDERAL FINANCIAL PARTICIPATION.—SECTION FEDERAL~~
37 **FINANCIAL PARTICIPATION.—Section** 1903(i)(10) of the Social Security Act (42 U.S.C.
38 1396b(i)(10)) is amended—

39 ~~(4)(A)~~ in subparagraph (D), by striking “and” after the semicolon;

40 ~~(2)(B)~~ in subparagraph (E), by striking “or” after the semicolon and inserting “and”;

1 and

2 ~~(3)~~(C) by inserting after subparagraph (E), the following new subparagraph:

3 “(F) with respect to any amount expended for reimbursement to a retail community
4 pharmacy under this title unless the State requires the retail community pharmacy to
5 respond to surveys of retail prices conducted under section 1927(f) in accordance with
6 paragraph (1)(F) of such section; or”.

7 ~~(e)(3) EFFECTIVE DATE.—THE DATE.—~~The amendments made by this section take effect
8 on the 1st day of the 1st quarter that begins on or after the date that is 18 months after the
9 date of enactment of this Act.

10 ** ~~66~~ ~~(g)~~(i) Funding for Implementation and Administration.—In addition to amounts
11 otherwise available, there is appropriated to the Secretary, for fiscal year 2022, to be available
12 until expended, out of any money in the Treasury not otherwise appropriated, \$20,000,000, to
13 provide technical assistance and guidance and cover administrative costs associated with
14 implementing the amendments made by this section **part and part 2**.

15
16 ~~* 9 SEC. 30743. FURTHER INCREASE IN FMAP FOR~~
17 ~~MEDICAL ASSISTANCE FOR NEWLY ELIGIBLE~~
18 ~~MANDATORY INDIVIDUALS.~~

19
20 ~~* 10 Section 1905(y)(1) of the Social Security Act (42 U.S.C.~~
21 ~~1396d(y)(1)) is amended—~~

22 ~~(1) in subparagraph (D), by striking at the end “and”;~~ **PART**
23 **5—MAINTENANCE OF EFFORT**

24
25 ~~* 11 (2) in subparagraph (E), by striking “2020 and each year~~
26 ~~thereafter.” and inserting “2020, 2021, and 2022; and”;~~ and

27 ~~(3) by adding at the end the following new subparagraphs:~~

28 ~~“(F) 93 percent for calendar quarters in 2023, 2024, and 2025;~~
29 ~~and~~

30 ~~“(G) 90 percent for calendar quarters in 2026 and each year~~
31 ~~thereafter.”.~~

1 **** 67 SEC. 30741 30751. ENCOURAGING CONTINUED**
2 **ACCESS AFTER THE END OF THE PUBLIC HEALTH**
3 **EMERGENCY.**

4 **** 68** Section 6008 of the Families First Coronavirus Response Act (42 U.S.C. 1396d note), as
5 amended by section ~~30721(e)~~ **30741(b)**, is further amended—

6 **** 69** (1) by redesignating the second subsection (d) added by section 11 of division X of
7 Public Law 116–260 as subsection (e); and

8 **(2) by adding at the end the following new subsection:**

9 **** 70** “(g) Encouraging Continued Access After the End of the Public Health Emergency.—

10 **** 71** “(1) IN GENERAL.—Subject to paragraph (2), if, between ~~September~~ **October 1,**
11 **2022** and December 31, 2025, a State puts into effect for any calendar quarter occurring
12 during such period eligibility standards ~~for individuals (except individuals described in~~
13 ~~subparagraph (D) of section 1902(e)(14)) who are applying for or receiving medical~~
14 ~~assistance, methodologies, or procedures~~ **for individuals (except individuals described in**
15 **subparagraph (D) of section 1902(e)(14)) who are applying for or receiving medical**
16 **assistance** under the State plan of such State under title XIX of the Social Security Act (42
17 U.S.C. 1396 through 1396w-6) (including any waiver under such title or section 1115 of
18 such Act (42 U.S.C. 1315)) that are more restrictive than the eligibility standards,
19 methodologies, or procedures, respectively, under the State plan (or waiver of such plan)
20 that are in effect on October 1, 2021, the Federal medical assistance percentage otherwise
21 determined under section 1905(b) of the Social Security Act (42 U.S.C. 1396d(b)) for that
22 State shall be reduced by 3.1 percentage points for such calendar quarter.

23 **** 72** “(2) NONAPPLICATION.—During the period described in paragraph (1), at the
24 option of the a State, the condition under such paragraph may not apply to the State with
25 respect to nonpregnant, nondisabled adults who are eligible for medical assistance under the
26 State plan (or waiver such plan) whose income exceeds 133 percent of the poverty line (as
27 defined in section 2110(c)(5)) applicable to a family of the size involved if, on or after
28 December 31, ~~2010~~ **2022**, the State had certified or certifies to the Secretary that, with
29 respect to the State fiscal year during which the certification is made, the State has a budget
30 deficit, or with respect to the succeeding State fiscal year, the State is projected to have a
31 budget deficit. Upon submission of such a certification to the Secretary, the condition under
32 paragraph (1) shall not apply to the State with respect to any remaining portion of the period
33 described in the preceding sentence.”.

34 **Subtitle G—Children’s Health Insurance Program**

35 **SEC. 30801. INVESTMENTS TO STRENGTHEN CHIP.**

36 (a) Permanent Extension of Children’s Health Insurance Program.—

37 (1) IN GENERAL.—Section 2104(a)(28) of the Social Security Act (42 U.S.C.
38 1397dd(a)(28)) is amended to read as follows:

39 “(28) for fiscal year 2027 and each subsequent year, such sums as are necessary to fund

1 allotments to States under subsection (m).”.

2 (2) ALLOTMENTS.—

3 (A) IN GENERAL.—Section 2104(m) of the Social Security Act (42 U.S.C.
4 1397dd(m)) is amended—

5 (i) in paragraph (2)(B)(i), by striking “, 2023, and 2027” and inserting “and
6 2023”;

7 (ii) in paragraph (5)—

8 (I) by striking “(10), or (11)” and inserting “or (10)”;

9 (II) by striking “for a fiscal year” and inserting “for a fiscal year before
10 2027”; and

11 (III) by striking “2023, or 2027” and inserting “or 2023”;

12 (iii) in paragraph (7)—

13 (I) in subparagraph (A), by striking “and ending with fiscal year 2027,”;
14 and

15 (II) in the flush left matter at the end, by striking “or fiscal year 2026” and
16 inserting “fiscal year 2026, or a subsequent even-numbered fiscal year”;

17 (iv) in paragraph (9)—

18 (I) by striking “(10), or (11)” and inserting “or (10)”;

19 (II) by striking “2023, or 2027,” and inserting “or 2023”; and

20 (v) by striking paragraph (11).

21 (B) CONFORMING AMENDMENT.—Section 50101(b)(2) of the Bipartisan Budget Act
22 of 2018 (Public Law 115–123) is repealed.

23 (b) Other Related CHIP Policies.—

24 (1) PEDIATRIC QUALITY MEASURES PROGRAM.—Section 1139A(i)(1) of the Social
25 Security Act (42 U.S.C. 1320b–9a(i)(1)) is amended—

26 (A) in subparagraph (C), by striking at the end “and”;

27 (B) in subparagraph (D), by striking the period at the end and inserting a semicolon;
28 and

29 (C) by adding at the end the following new subparagraphs:

30 “(E) for fiscal year 2028, \$15,000,000 for the purpose of carrying out this section
31 (other than subsections (e), (f), and (g)); and

32 “(F) for each subsequent fiscal year, the amount appropriated under this paragraph
33 for the previous fiscal year, increased by the percentage increase in the consumer price
34 index for all urban consumers (all items; United States city average, as published by
35 the Bureau of Labor Statistics) rounded to the nearest \$100,000 over such previous
36 fiscal year, for the purpose of carrying out this section (other than subsections (e), (f),
37 and (g)).”.

1 (2) ASSURANCE OF ELIGIBILITY STANDARDS FOR CHILDREN.—Section 2105(d)(3) of the
2 Social Security Act (42 U.S.C. 1397ee(d)(3)) is amended—

3 (A) in the paragraph heading, by striking “THROUGH SEPTEMBER 30, 2027”; and

4 (B) in subparagraph (A)—

5 (i) in the matter preceding clause (i)—

6 (I) by striking “During the period that begins on the date of enactment of
7 the Patient Protection and Affordable Care Act and ends on September 30,
8 2027” and inserting “Beginning on the date of the enactment of the Patient
9 Protection and Affordable Care Act”;

10 (II) by striking “During the period that begins on October 1, 2019, and
11 ends on September 30, 2027” and inserting “Beginning on October 1, 2019”;
12 and

13 (III) by striking “The preceding sentences shall not be construed as
14 preventing a State during any such periods from” and inserting “The
15 preceding sentences shall not be construed as preventing a State from”;

16 (ii) in clause (i), by striking the semicolon at the end and inserting a period;

17 (iii) by striking clauses (ii) and (iii); and

18 (iv) as amended by subclause ~~(I)(ee)~~(i)(III), by striking “as preventing a State
19 from” and all that follows through “applying eligibility standards” and inserting
20 “as preventing a State from applying eligibility standards”.

21 (3) QUALIFYING STATES OPTION.—Section 2105(g)(4) of the Social Security Act (42
22 U.S.C. 1397ee(g)(4)) is amended—

23 (A) in the paragraph heading, by striking “FOR FISCAL YEARS 2009 THROUGH 2027”
24 and inserting “AFTER FISCAL YEAR 2008”; and

25 (B) in subparagraph (A), by striking “for any of fiscal years 2009 through 2027” and
26 inserting “for any fiscal year after fiscal year 2008”.

27 (4) OUTREACH AND ENROLLMENT PROGRAM.—Section 2113 of the Social Security Act
28 (42 U.S.C. 1397mm) is amended—

29 (A) in subsection (a)—

30 (i) in paragraph (1), by striking “during the period of fiscal years 2009 through
31 2027” and inserting “, beginning with fiscal year 2009,”;

32 (ii) in paragraph (2)—

33 (I) by striking “10 percent of such amounts” and inserting “10 percent of
34 such amounts for the period or the fiscal year for which such amounts are
35 appropriated”; and

36 (II) by striking “during such period” and inserting “, during such period or
37 such fiscal year,”; and

38 (iii) in paragraph (3), by striking “For the period of fiscal years 2024 through

1 2027, an amount equal to 10 percent of such amounts” and inserting “Beginning
2 with fiscal year 2024, an amount equal to 10 percent of such amounts for the
3 period or the fiscal year for which such amounts are appropriated”; and

4 (B) in subsection (g)—

5 (i) by striking “2017,,” and inserting “2017,”;

6 (ii) by striking “and \$48,000,000” and inserting “\$48,000,000”; and

7 (iii) by inserting after “through 2027” the following: “, \$60,000,000 for fiscal
8 years 2028, 2029, and 2030, and for each 3 fiscal years after fiscal year 2030, the
9 amount appropriated under this subsection for the previous fiscal year, increased
10 by the percentage increase in the consumer price index for all urban consumers
11 (all items; United States city average, as published by the Bureau of Labor
12 Statistics) rounded to the nearest \$100,000 over such previous fiscal year”.

13 (5) CHILD ENROLLMENT CONTINGENCY FUND.—Section 2104(n) of the Social Security
14 Act (42 U.S.C. 1397dd(n)) is amended—

15 (A) in paragraph (2)—

16 (i) in subparagraph (A)(ii)—

17 (I) by striking “2024 through 2026” and inserting “beginning with fiscal
18 year 2024”; and

19 (II) by striking “2023, and 2027” and inserting “and 2023”; and

20 (ii) in subparagraph (B)—

21 (I) by striking “2024 through 2026” and inserting “beginning with fiscal
22 year 2024”; and

23 (II) by striking “2023, and 2027” and inserting “and 2023”; and

24 (B) in paragraph (3)(A)—

25 (i) by striking “fiscal years 2024 through 2026” and inserting “fiscal year 2024
26 or any subsequent fiscal year”; and

27 (ii) by striking “2023, or 2027” and inserting “or 2023”.

28 (c) CHIP Drug Rebates.—

29 (1) IN GENERAL.—Section 2107 of the Social Security Act (42 U.S.C. 1397gg), as
30 amended by section 30721(b)(2), is further amended—

31 (A) in subsection (e)(1) by adding at the end the following new subparagraph:

32 “(V) Beginning January 1, 2024, section 1927(~~relating to covered outpatient drugs~~),
33 in accordance with subsection (h) of this section, with respect to covered outpatient
34 drugs (as defined in section 1927) for which child health assistance or
35 pregnancy-related assistance (as defined in section 2112(d)(1)) is provided under the
36 State child health plan, including such drugs dispensed to individuals enrolled with a
37 managed care organization that meets the requirements of subpart L of part 457 of title
38 42, Code of Federal Regulations (or a successor regulation) if the organization is

1 responsible for coverage of such drugs.”; and

2 (B) by adding at the end the following new subsection:

3 “(h) Drug Rebates.—For purposes of subsection ~~(e)(1)(U)~~**(e)(1)(V)**, in applying section
4 1927—

5 “(1) the Secretary shall take such actions as are necessary and develop or adapt such
6 processes and mechanisms as are necessary, including to report and collect data to bill and
7 track rebates under section 1927, as applied pursuant to subsection (e)(1)(V) for covered
8 outpatient drugs (as defined in such section 1927) for which child health assistance or
9 pregnancy-related assistance (as defined in section 2112(d)(1)) is provided under the State
10 child health plan;

11 “(2) the requirements of such section 1927 shall apply to any drug or biological product
12 described in paragraph (1)(A) of section 1905(ee) that is—

13 “(A) furnished as child health assistance or pregnancy-related assistance under the
14 State child health plan; and

15 “(B) a covered outpatient drug (as defined in section 1927(k), except that, in
16 applying paragraph (2)(A) of such section to a drug described in such paragraph (1)(A)
17 of such section 1905(ee), such drug shall be deemed ‘a prescribed drug for purposes of
18 subsection (a)(12)’); and

19 “(3) in order for payment to be available under section 2105 with respect to child health
20 assistance or pregnancy-related assistance for covered outpatient drugs of a manufacturer,
21 the manufacturer must have entered into and have in effect a single rebate agreement to—

22 “(A) provide rebates under section 1927 to a State Medicaid program under title
23 XIX as well as a State program under this title; and

24 “(B) provide such rebates to a State program under this title in the same form and
25 manner as the manufacturer is required to provide rebates under an agreement
26 described in section 1927(b) to a State Medicaid program under title XIX.

27 Nothing in this subsection or subsection (e)(1)(V) shall be construed as limiting Federal
28 financial participation for prescription drugs and biological products that do not satisfy the
29 definition of a covered outpatient drug and for which there is not a rebate agreement in
30 effect.”.

31 (2) DRUG REBATE CONFORMING AMENDMENT.—Section 1927(a)(1) of the Social Security
32 Act (42 U.S.C. 1396r–8(a)(1)) is amended in the first sentence—

33 (A) by striking “or under part B of title XVIII” and inserting “, under part B of title
34 XVIII, or, beginning with the first full calendar quarter with respect to which section
35 2107(e)(1)(V) applies, under section 2105 with respect to child health assistance or
36 pregnancy-related assistance under title XXI”;

37 (B) by striking “a rebate agreement described in subsection (b)” and inserting “a
38 single rebate agreement described in subsection (b) with respect to payment under
39 section 1903(a) and, beginning January 1, 2024, title XXI,”; and

40 (C) by inserting “and including as such subsection (b) is applied pursuant to

1 subsections (e)(1)(V) and (h) of section 2107 with respect to child health assistance
2 and pregnancy-related assistance under a State child health plan under title ~~XXI~~,
3 **XXI**” before “, and must meet”.

4 (3) NON-DUPLICATION OF REBATES CONFORMING AMENDMENT.—Section 340B(a)(5)(A)
5 of the Public Health Service Act (42 U.S.C. 256b(a)(5)(A)) is amended—

6 (A) in clause (i), by inserting before the period the following: “and shall not request
7 payment under title XXI of such Act for child health assistance or pregnancy-related
8 assistance (as defined in section 2112(d)(1) of such Act) under a State child health plan
9 under title XXI of such Act with respect to a drug that is subject to an agreement under
10 this section if the drug is subject to the payment of a rebate to the State under section
11 1927 of such Act, as applied pursuant to subsections (e)(1)(V) and (h) of section 2107
12 of such Act”; and

13 (B) in clause (ii), by inserting “, including as applied pursuant to subsections
14 (e)(1)(V) and (h) of section 2107 of such Act,” after “the requirements of section
15 1927(a)(5)(C) of the Social Security Act”.

16 (4) EXCLUSION OF REBATES FROM BEST PRICE CONFORMING AMENDMENT.—Section
17 1927(c)(1)(C)(i) of the Social Security Act (42 U.S.C. 1396r–8(c)(1)(C)(i)) is amended—

18 (A) in subclause (V), by striking “and” at the end;

19 (B) in subclause (VI), by striking the period and inserting “; and”; and

20 (C) by adding at the end the following new subclause:

21 “(VII) any rebates paid pursuant to section 2107(e)(1)(V).”.

22 (d) State Option to Expand Children’s Eligibility for ~~Medicaid~~ and Chip.—

23 (1) IN GENERAL.—Section 2110(b)(1)(B)(ii) of the Social Security Act (42 U.S.C.
24 1397jj(b)(1)(B)(ii)) is amended—

25 (A) in subclause (II), by striking “or” at the end;

26 (B) in subclause (III), by striking “and” at the end and inserting “or”; and

27 (C) by inserting after subclause (III) the following new subclause:

28 “(IV) at the option of the State, whose family income exceeds the maximum
29 income level otherwise established for children under the State child health plan
30 as of the date of the enactment of this subclause; and”.

31 (2) TREATMENT OF TERRITORIES.—Section 2104(m)(7) of the Social Security Act (42
32 U.S.C. 1397dd(m)(7)) is amended—

33 (A) in the matter preceding subparagraph (A), by striking “the 50 States or the
34 District of Columbia” and inserting “a State (including the District of Columbia and
35 each commonwealth and territory)”;

36 (B) in subparagraph (B)(ii), by striking “or District”; and

37 (C) in the matter following subparagraph (B), by striking each place it occurs “or
38 District”

1 (3) REMOVAL OF SUNSET FOR INCREASES IN ALLOTMENTS.—Section ~~2107(a)(7)(A)~~
2 **2104(m)(7)(A)** of the Social Security Act (42 U.S.C. ~~(a)(7)(A)~~ **1397dd(m)(7)(A)**) is
3 amended by striking “and ending with fiscal year 2027,”.

4 **(e) Funding for Implementation and Administration.—In addition to amounts otherwise**
5 **available, there is appropriated to the Secretary, for fiscal year 2022, to be available until**
6 **expended, out of any money in the Treasury not otherwise appropriated, \$5,000,000, to**
7 **provide technical assistance and guidance and cover administrative costs associated with**
8 **implementing the amendments made by this section.**

9 Subtitle H—Medicare Coverage of Hearing Services

10 SEC. 30901. PROVIDING COVERAGE FOR HEARING 11 CARE UNDER THE MEDICARE PROGRAM.

12 (a) Provision of Audiology Services by Qualified Audiologists and Qualified Hearing Aid
13 Professionals.—

14 (1) IN GENERAL.—Section 1861(l) of the Social Security Act (42 U.S.C. 1395x(l)) is
15 amended—

16 (A) in paragraph (3)—

17 (i) by inserting “(and, beginning January 1, ~~2024~~ **2023**, such aural rehabilitation
18 and treatment services)” after “assessment services”;

19 (ii) by inserting “, and, beginning **on** January 1, ~~2024~~ **2023**, such hearing
20 assessment services furnished by a qualified hearing aid professional,” after “by a
21 qualified audiologist”; and

22 (iii) by striking “the audiologist” and inserting “the audiologist or qualified
23 hearing aid professional”; and

24 (B) in paragraph (4), by adding at the end the following new subparagraph:

25 “(C) The term ‘qualified hearing aid professional’ means, with respect to hearing
26 assessment services described in paragraph (3), an individual who—

27 “(i) is licensed **or registered** as a hearing aid dispenser, hearing aid specialist,
28 hearing instrument dispenser, or related professional by the State in which the
29 individual furnishes such services; and

30 “(ii) meets such other requirements as the Secretary determines appropriate
31 **(including requirements relating to educational certifications or accreditations)**,
32 taking into account any additional requirements for hearing aid specialists, hearing aid
33 dispensers, and hearing instrument dispensers established by Medicare Advantage
34 organizations under part C, State plans (or waivers of such plans) under title XIX, and
35 the group health plans and health insurance issuers (as such terms are defined in
36 section 2791 of the Public Health Service Act).”.

37 (2) PAYMENT FOR QUALIFIED HEARING AID PROFESSIONALS.—Section 1833(a)(1) of the
38 Social Security Act (42 U.S.C. 1395l(a)(1)), as amended by section 139101(b), is further
39 amended—

1 (A) by striking “and” before “(EE)”;

2 (B) by inserting before the semicolon at the end the following: “and (FF) with
3 respect to hearing assessment services (as described in paragraph (3) of section
4 1861(l)) furnished by a qualified hearing aid professional (as defined in paragraph
5 (4)(C) of such section), the amounts paid shall be equal to 80 percent of the lesser of
6 the actual charge for such services or 85 percent of the amount for such services
7 determined under the payment basis determined under section 1848”.

8 (b) Coverage of Hearing Aids.—

9 (1) INCLUSION OF HEARING AIDS AS PROSTHETIC DEVICES.—Section 1861(s)(8) of the
10 Social Security Act (42 U.S.C. 1395x(s)(8)) is amended by inserting “, and including
11 hearing aids (as described in section 1834(h)(7)) furnished on or after January 1, ~~2024~~ **2023**,
12 to individuals diagnosed with ~~profound or~~ **moderately** severe, **severe, or profound** hearing
13 loss” before the semicolon at the end.

14 (2) PAYMENT LIMITATIONS FOR HEARING AIDS.—Section 1834(h) of the Social Security
15 Act (42 U.S.C. 1395m(h)) is amended by adding at the end the following new paragraphs:

16 “(6) PAYMENT ONLY ON AN ASSIGNMENT-RELATED BASIS.—Payment for hearing aids for
17 which payment may be made under this part may be made only on an assignment-related
18 basis. The provisions of section 1842(b)(18)(B) shall apply to hearing aids in the same
19 manner as they apply to services furnished by a practitioner described in subsection
20 (b)(18)(C).

21 “(7) LIMITATIONS FOR HEARING AIDS.—Payment may be made under this part with
22 respect to an individual, with respect to hearing aids furnished on or after January 1, ~~2024~~—
23 **2023**—

24 “(A) not more than once per ear during a 5-year period;

25 “(B) only for types of such hearing aids that are ~~not over the counter hearing aids~~
26 ~~(as defined in section 520(q)(1) of the Federal Food, Drug, and Cosmetic Act) and that~~
27 ~~are~~ determined appropriate by the Secretary; and

28 “(C) only if furnished pursuant to a written order of a physician, qualified
29 audiologist (as defined in section 1861(l)(4)), qualified hearing aid professional (as so
30 defined), physician assistant, nurse practitioner, or clinical nurse specialist.”.

31 (3) APPLICATION OF COMPETITIVE ACQUISITION.—

32 (A) IN GENERAL.—Section 1834(h)(1)(H) of the Social Security Act (42 U.S.C.
33 1395m(h)(1)(H)) is amended—

34 (i) in the header, by inserting “AND HEARING AIDS” after “ORTHOTICS”;

35 (ii) by inserting “, or of hearing aids described in paragraph (2)(D) of such
36 section,” after “2011,”; and

37 (iii) in clause (i), by inserting “or such hearing aids” after “such orthotics”.

38 (B) CONFORMING AMENDMENT.—

39 (i) IN GENERAL.—Section 1847(a)(2) of the Social Security Act (42 U.S.C.
40 1395w-3(a)(2)) is amended by adding at the end the following new subparagraph:

1 “(D) HEARING AIDS.—Hearing aids described in section 1861(s)(8) for which
2 payment would otherwise be made under section 1834(h).”.

3 (ii) EXEMPTION OF CERTAIN ITEMS FROM COMPETITIVE ACQUISITION.—Section
4 1847(a)(7) of the Social Security Act (42 U.S.C. 1395w–3(a)(7)) is amended by
5 adding at the end the following new subparagraph:

6 “(C) CERTAIN HEARING AIDS.—Those items and services described in paragraph
7 (2)(D) if furnished by a physician or other practitioner (as defined by the Secretary) to
8 the physician’s or practitioner’s own patients as part of the physician’s or practitioner’s
9 professional service.”.

10 (4) INCLUSION OF QUALIFIED AUDIOLOGISTS AND QUALIFIED HEARING AID PROFESSIONALS
11 AS CERTAIN PRACTITIONERS TO RECEIVE PAYMENT ON AN ASSIGNMENT-RELATED
12 BASIS.—Section 1842(b)(18)(C) of the Social Security Act (42 U.S.C. 1395u(b)(18)(C)), is
13 amended by adding at the end the following new clauses:

14 “(vii) Beginning on January 1, ~~2024~~ **2023**, a qualified audiologist (as defined in
15 section 1861(l)(4)(B)).

16 “(viii) A qualified hearing aid professional (as defined in section
17 1861(l)(4)(C)).”.

18 (c) Exclusion Modification.—Section 1862(a)(7) of the Social Security Act (42 U.S.C.
19 1395y(a)(7)) is amended by inserting “(except such hearing aids or examinations therefor as
20 described in and otherwise allowed under section 1861(s)(8))” after “hearing aids or
21 examinations therefor”.

22 (d) Inclusion as Excepted Medical Treatment.—Section 1821(b)(5)(A) of the Social Security
23 Act (42 U.S.C. 1395i–5(b)(5)(A)) is amended—

24 (1) in clause (i), by striking “or”;

25 (2) in clause (ii), by striking the period and inserting “, or”; and

26 (3) by adding at the end the following new clause:

27 “(iii) consisting of ~~items or audiology~~ **services described in section 1861(l)(3)**
28 **subsection (l)(3) of section 1861, or hearing aids described in subsection**
29 **(s)(8) of such section**, that are payable under part B as a result of the amendments
30 made by An Act to provide for reconciliation pursuant to title II of S. Con. Res.
31 14.”.

32 (e) Rural Health Clinics and Federally Qualified Health Centers.—

33 (1) CLARIFYING COVERAGE OF AUDIOLOGY SERVICES AS PHYSICIANS’ SERVICES.—Section
34 1861(aa)(1)(A) of the Social Security Act (42 U.S.C. 1395x(aa)(1)(A)) is amended by
35 inserting “(including audiology services (as defined in subsection (l)(3)))” after
36 “physicians’ services”.

37 (2) INCLUSION OF QUALIFIED AUDIOLOGISTS AND QUALIFIED HEARING AID PROFESSIONALS
38 AS RHC AND FQHC PRACTITIONERS.—Section 1861(aa)(1)(B) of the Social Security Act (42
39 U.S.C. 1395x(aa)(1)(B)) is amended by inserting “or by a qualified audiologist or a
40 qualified hearing aid professional (as such terms are defined in subsection (l)),” after “(as

1 defined in subsection (hh)(1)),”.

2 (3) TEMPORARY PAYMENT RATES FOR CERTAIN SERVICES UNDER THE RHC AIR AND FQHC
3 PPS.—

4 (A) AIR.—Section 1833 of the Social Security Act (42 U.S.C. 1395l) is amended—

5 (i) in subsection (a)(3)(A), by inserting “(which shall, in the case of audiology
6 services (as defined in section 1861(l)(3)), in lieu of any limits on reasonable
7 charges otherwise applicable, be based on the rates payable for such services
8 under the payment basis determined under section 1848 until such time as the
9 Secretary determines sufficient data has been collected to otherwise apply such
10 limits)²²(or **January 1, 2029, if no such determination has been made as of
11 such date)**” after “may prescribe in regulations”; and

12 (ii) by adding at the end the following new subsection:

13 “(ee) Disregard of Costs Attributable to Certain Services From Calculation of RHC
14 AIR.—Payments for rural health clinic services other than audiology services (as defined in
15 section 1861(l)(3)) under the methodology for all-inclusive rates (established by the Secretary)
16 under subsection (a)(3) shall not take into account the costs of such services while rates for such
17 services are based on rates payable for such services under the payment basis established under
18 section 1848.”.

19 (B) PPS.—Section 1834(o) of the Social Security Act (42 U.S.C. 1395m(o)) is
20 amended by adding at the end the following new paragraph:

21 “(5) TEMPORARY PAYMENT RATES BASED ON PFS FOR CERTAIN SERVICES.—The Secretary
22 shall, in establishing payment rates for audiology services (as defined in section 1861(l)(3))
23 that are Federally qualified health center services under the prospective payment system
24 established under this subsection, in lieu of the rates otherwise applicable under such
25 system, base such rates on rates payable for such services under the payment basis
26 established under section 1848 until such time as the Secretary determines sufficient data
27 has been collected to otherwise establish rates for such services under such system (or
28 **January 1, 2029, if no such determination has been made as of such date**). Payments for
29 Federally qualified health center services other than such audiology services under such
30 system shall not take into account the costs of such services while rates for such services are
31 based on rates payable for such services under the payment basis established under section
32 1848.”.

33 (f) ~~Implementation.~~—**In Implementation.**—

34 (1) **IN GENERAL.**—**In** addition to amounts otherwise available, there is appropriated to
35 the Secretary of Health and Human Services for fiscal year 2022, out of any money in the
36 Treasury not otherwise appropriated, \$370,000,000, to remain available until expended, for
37 purposes of implementing the amendments made by this section during the period
38 beginning on January 1, 2022, and ending on September 30, 2031.

39 (2) **PROGRAM INSTRUCTION.**—**The Secretary of Health and Human Services shall**
40 **implement the provisions of, and the amendments made by, this section for 2022 and**
41 **2023 by program instruction.**

1 Subtitle I—Public Health

2 PART 1—HEALTH CARE INFRASTRUCTURE AND
3 WORKFORCE

4 SECTION 31001. FUNDING TO SUPPORT CORE PUBLIC
5 HEALTH INFRASTRUCTURE FOR STATE, TERRITORIAL,
6 LOCAL, AND TRIBAL HEALTH DEPARTMENTS AT THE
7 CENTERS FOR DISEASE CONTROL AND PREVENTION.

8 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
9 Secretary of Health and Human Services (in this subtitle referred to as the “Secretary”), acting
10 through the Director of the Centers for Disease Control and Prevention (in this section referred to
11 as the “Director”), for fiscal year 2022, out of any money in the Treasury not otherwise
12 appropriated, and to remain available until expended—

13 (1) for the purposes of carrying out subsection (c)(1)(A)—

14 (A) \$200,000,000 in fiscal year 2022;

15 (B) \$300,000,000 in fiscal year 2023; and

16 (C) \$1,000,000,000 in each of fiscal years 2024 through 2026;

17 (2) for the purposes of carrying out subsection (c)(1)(B)—

18 (A) \$100,000,000 in fiscal year 2022;

19 (B) \$150,000,000 in fiscal year 2023; and

20 (C) \$500,000,000 in each of fiscal years 2024 through 2026; and

21 (3) for the purposes of carrying out subsection (d)—

22 (A) \$100,000,000 in fiscal year 2022;

23 (B) \$150,000,000 in fiscal year 2023; and

24 (C) \$500,000,000 in each of fiscal years 2024 through 2026.

25 (b) Use of Funds.—Amounts made available pursuant to subsection (a) shall be used to
26 support core public health infrastructure activities to strengthen the public health system of the
27 United States, including by awarding grants under this section and expanding and improving
28 activities of the Centers for Disease Control and Prevention under subsections (c) and (d).

29 (c) Grants.—

30 (1) AWARDS.—For the purpose of addressing core public health infrastructure needs, the
31 Secretary shall award—

32 (A) a grant to each State or territorial health department, and to local health
33 departments that serve counties with a population of at least 2,000,000 or cities with a
34 population of at least 400,000 people; and

1 (B) grants on a competitive basis to State, territorial, local, or Tribal health
2 departments.

3 (2) REQUIRED USES.—

4 (A) REALLOCATION TO LOCAL HEALTH DEPARTMENTS.—A State health department
5 receiving funds under subparagraph (A) or (B) of paragraph (1) shall allocate at least
6 25 percent of ~~the~~ such funds to local health departments, as applicable, within the State
7 to support contributions of the local health departments to core public health
8 infrastructure.

9 (B) PROGRESS IN MEETING ACCREDITATION STANDARDS.—A health department
10 receiving funds under this section that is not accredited shall report to the Secretary on
11 an annual basis how the department is working to meet accreditation standards.

12 (3) FORMULA GRANTS TO HEALTH DEPARTMENTS.—In awarding grants under paragraph
13 (1), the Secretary shall award funds to each health department in accordance with a formula
14 which considers population size, the Social Vulnerability Index of the Centers for Disease
15 Control and Prevention, and other factors as determined by the Secretary.

16 (4) COMPETITIVE GRANTS TO STATE, TERRITORIAL, LOCAL, AND TRIBAL HEALTH
17 DEPARTMENTS.—In making grants under paragraph (1)(B), the Secretary shall give priority
18 to applicants demonstrating core public health infrastructure needs for public health
19 agencies in the applicant's jurisdiction.

20 (5) PERMITTED USES.—

21 (A) IN GENERAL.—The Secretary may make available a subset of the funds available
22 for grants under paragraph (1) for purposes of awarding grants to State, territorial,
23 local, and Tribal health departments for planning or to support public health
24 accreditation.

25 (B) USES.—Recipients of such grants may use the grant funds to assess core public
26 health infrastructure needs and report to the Centers for Disease Control and
27 Prevention on efforts to achieve accreditation, as applicable.

28 (6) REQUIREMENTS.—To be eligible for a grant under this section, an entity shall—

29 (A) submit an application in such form and containing such information as the
30 Secretary shall require;

31 (B) demonstrate to the satisfaction of the Secretary that—

32 (i) funds received through the grant will be expended only to supplement, and
33 not supplant, non-Federal and Federal funds otherwise available to the entity for
34 the purpose of addressing core public health infrastructure needs; and

35 (ii) with respect to activities for which the grant is awarded, the entity will
36 maintain expenditures of non-Federal amounts for such activities at a level not
37 less than the level of such expenditures maintained by the entity for fiscal year
38 2019; and

39 (C) agree to report annually to the Director regarding the use of the grant funds.

40 (d) Core Public Health Infrastructure and Activities for the CDC.—The Secretary, acting

1 through the Director, shall expand and improve the core public health infrastructure and
2 activities of the Centers for Disease Control and Prevention to support activities necessary to
3 address unmet, ongoing, and emerging public health needs, including prevention, preparation for,
4 and response to public health emergencies.

5 (e) Definition.—In this section, the term “core public health infrastructure” includes—

6 (1) health equity activities;

7 (2) workforce capacity and competency;

8 (3) all hazards public health and preparedness;

9 (4) testing capacity, including test platforms, mobile testing units, and personnel;

10 (5) health information, health information systems, and health information analysis
11 (including data analytics);

12 (6) epidemiology and disease surveillance;

13 (7) contact tracing;

14 (8) policy and communications;

15 (9) financing;

16 (10) community partnership development; and

17 (11) relevant components of organizational capacity.

18 (f) Supplement Not Supplant.—Amounts made available by this section shall be used to
19 supplement, and not supplant, amounts otherwise made available for the purposes described in
20 this Act.

21 SEC. 31002. FUNDING FOR HEALTH CENTER CAPITAL 22 GRANTS.

23 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
24 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
25 ~~\$1,000,000,000~~ **\$2,000,000,000**, to remain available until expended, for necessary expenses for
26 awarding grants and entering into cooperative agreements for capital projects to health centers
27 funded under section 330 of the Public Health Service Act (42 U.S.C. 254b) to be awarded
28 without regard to the time limitation in subsection (e)(3) and subsections (e)(6)(A)(iii),
29 (e)(6)(B)(iii), and (r)(2)(B) of such section 330, and for necessary expenses for awarding grants
30 and cooperative agreements for capital projects to Federally qualified health centers, as described
31 in section 1861(aa)(4)(B) of the Social Security Act (42 U.S.C. 1395x(aa)(4)(B)). The Secretary
32 shall take such steps as may be necessary to expedite the awarding of such grants to Federally
33 qualified health centers for capital projects.

34 (b) Use of Funds.—Amounts made available to a recipient of a grant or cooperative agreement
35 pursuant to subsection (a) shall be used ~~for~~ **for**—

36 (1) health center facility alteration, renovation, remodeling, expansion, construction, and
37 other capital improvement costs, including the costs of amortizing the principal of, and
38 paying interest on, loans for such purposes; **and**

1 **(2) the purchase, renovation, or maintenance of mobile clinics and related vehicles**
2 **and equipment.**

3 **SEC. 31003. FUNDING FOR TEACHING HEALTH CENTER**
4 **GRADUATE MEDICAL EDUCATION.**

5 (a) In General.—In addition to amounts otherwise available, and notwithstanding the
6 limitations referred to in subsections (b)(2) and (d)(2) of section 340H of the Public Health
7 Service Act (42 U.S.C. 256h), there is appropriated to the Secretary for fiscal year 2022, out of
8 any money in the Treasury not otherwise appropriated, \$3,370,000,000, to remain available until
9 expended, for—

10 (1) the program of payments to teaching health centers that operate graduate medical
11 education programs under such section; and

12 (2) the award of teaching health center development grants pursuant to section 749A of
13 the Public Health Service Act (42 U.S.C. 2931–1).

14 (b) Exemption From Amount and Duration Limitations.—Subsection (b) of section 749A of
15 the Public Health Service Act (42 U.S.C. 2931–1) shall not apply with respect to amounts
16 awarded under such section out of amounts appropriated under subsection (a) or under section
17 2604 of the American Rescue Plan Act (Public Law 117–2).

18 (c) Use of Funds.—Amounts made available pursuant to subsection (a) shall be used for the
19 following activities:

20 (1) For making payments to establish new approved graduate medical residency training
21 programs pursuant to section 340H(a)(1)(C) of the Public Health Service Act (42 U.S.C.
22 256h(a)(1)(C)).

23 (2) For making payments under section 340H(a)(1)(A) of the Public Health Service Act
24 (42 U.S.C. 256h(a)(1)(A)) to qualified teaching health centers for maintenance of filled
25 positions at existing approved graduate medical residency training programs.

26 (3) For making payments under section 340H(a)(1)(B) of the Public Health Service Act
27 (42 U.S.C. 256h(a)(1)(B)) for the expansion of existing approved graduate medical
28 residency training programs.

29 (4) For making awards under section 749A of the Public Health Service Act (42 U.S.C.
30 2931–1) to teaching health centers for the purpose of establishing new accredited or
31 expanded primary care residency programs.

32 (5) To provide an increase to the per resident amount described in section 340H(a)(2) of
33 the Public Health Service Act (42 U.S.C. 256h(a)(2)).

34 (d) Priority Uses of Funds.—In making payments and awards under subsection (c), the
35 Secretary shall, in addition to the requirements of paragraphs (3)(A) and (3)(B) of section 340H
36 of the Public Health Service Act (42 U.S.C. 256h), make payments and awards to eligible
37 entities in a manner that accounts for States or territories in which there is no existing qualified
38 teaching health center funded by payments under such section 340H.

39 **SEC. 31004. FUNDING FOR CHILDREN’S HOSPITALS**

1 **THAT OPERATE GRADUATE MEDICAL EDUCATION**
2 **PROGRAMS.**

3 In addition to amounts otherwise available, and notwithstanding the caps on awards specified
4 in paragraphs (1) and (2) of subsection (b) and (h)(1) of section 340E of the Public Health
5 Service Act (42 U.S.C. 256e), there is appropriated to the Secretary for fiscal year 2022, out of
6 any money in the Treasury not otherwise appropriated, ~~\$150,000,000~~ **\$200,000,000**, to remain
7 available until expended, for carrying out such section 340E of the Public Health Service Act (42
8 U.S.C. 256e).

9 **SEC. 31005. FUNDING FOR NATIONAL HEALTH**
10 **SERVICE CORPS.**

11 In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal
12 year 2022, out of any money in the Treasury not otherwise appropriated, ~~\$650,000,000~~
13 **\$2,000,000,000**, to remain available until expended, for carrying out sections 338A, 338B, and
14 338I of the Public Health Service Act (42 U.S.C. 254l, 254l-1, 254q-1).

15 **SEC. 31006. FUNDING FOR THE NURSE CORPS.**

16 In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal
17 year 2022, out of any money in the Treasury not otherwise appropriated, ~~\$200,000,000~~
18 **\$500,000,000**, to remain available until expended, for carrying out section 846 of the Public
19 Health Service Act (42 U.S.C. 297n).

20 **SEC. 31007. FUNDING FOR SCHOOLS OF MEDICINE IN**
21 **UNDERSERVED AREAS.**

22 **(a) In General.—In addition to amounts otherwise available, there is appropriated to the**
23 **Secretary for fiscal year 2022, out of any money in the Treasury not otherwise**
24 **appropriated, \$500,000,000, to remain available until expended, for purposes of making**
25 **awards to eligible entities for the establishment, improvement, or expansion of an**
26 **allopathic or osteopathic school of medicine, or a branch campus of an allopathic or**
27 **osteopathic school of medicine, consistent with subsection (b).**

28 **(b) Use of Funds.—The Secretary, acting through the Administrator of the Health**
29 **Resources and Services Administration, shall, with priority given to minority-serving**
30 **institutions described in section 371(a) of the Higher Education Act of 1965 (20 U.S.C.**
31 **1067q(a)), and taking into consideration equitable distribution of awards among the**
32 **geographical regions of the United States (which shall include rural regions and**
33 **populations as defined by the Secretary for the purposes of this section) and the locations of**
34 **existing schools of medicine and osteopathic medicine, use amounts appropriated by**
35 **subsection (a) to award grants to eligible entities to—**

36 **(1) recruit, enroll, and retain students, including individuals who are from**
37 **disadvantaged backgrounds (including racial and ethnic groups underrepresented**
38 **among medical students and health professions), individuals from rural and**
39 **underserved areas, low-income individuals, and first generation college students (as**

1 defined in section 402A(h)(3) of the Higher Education Act of 1965 (20 U.S.C.
2 1070a–11(h)(3))), at a school of medicine or osteopathic medicine or branch campus of
3 a school of medicine or osteopathic medicine;

4 (2) develop, implement, and expand curriculum that emphasizes care for rural and
5 underserved populations, including accessible and culturally appropriate and
6 linguistically appropriate care and services, at such school or branch campus;

7 (3) plan and construct a school of medicine or osteopathic medicine in an area in
8 which no other such school or branch campus of such a school is based;

9 (4) plan, develop, and meet criteria for accreditation for a school of medicine or
10 osteopathic medicine or branch campus of such a school;

11 (5) hire faculty, including faculty from racial and ethnic groups who are
12 underrepresented among the medical and other health professions, and other staff to
13 serve at such a school or branch campus;

14 (6) support educational programs at such a school or branch campus, including
15 modernizing curriculum;

16 (7) modernize and expand infrastructure at such a school or branch campus; or

17 (8) support other activities that the Secretary determines will further the
18 establishment, improvement, or expansion of a school of medicine or osteopathic
19 medicine or branch campus of a school of medicine or osteopathic medicine.

20 (c) Definitions.—In this section:

21 (1) ELIGIBLE ENTITY.—The term “eligible entity” means an institution of higher
22 education as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C.
23 1001).

24 (2) BRANCH CAMPUS.—

25 (A) IN GENERAL.—The term “branch campus”, with respect to a school of
26 medicine or osteopathic medicine, means an additional location of such school
27 that is geographically apart and independent of the main campus, at which the
28 school offers at least 50 percent of the program leading to a degree of doctor of
29 medicine or doctor of osteopathy that is offered at the main campus.

30 (B) INDEPENDENCE FROM MAIN CAMPUS.—For purposes of subparagraph (A),
31 the location of a school described in such subparagraph shall be considered to be
32 independent of the main campus described in such subparagraph if the location—

33 (i) is permanent in nature;

34 (ii) offers courses in educational programs leading to a degree, certificate,
35 or other recognized educational credential;

36 (iii) has its own faculty and administrative or supervisory organization;
37 and

38 (iv) has its own budgetary and hiring authority.

39 **SEC. 31008. FUNDING FOR SCHOOLS OF NURSING IN**

1 **UNDERSERVED AREAS.**

2 (a) **In General.**—In addition to amounts otherwise available, there is appropriated to the
3 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise
4 appropriated, \$500,000,000, to remain available until expended, for purposes of making
5 awards to schools of nursing (as defined in section 801 of the Public Health Service Act (42
6 U.S.C. 296)) to enhance and modernize nursing education programs and increase the
7 number of faculty and students at such schools.

8 (b) **Use of Funds.**—The Secretary, acting through the Administrator of the Health
9 Resources and Services Administration, taking into consideration equitable distribution of
10 awards among the geographical regions of the United States and the capacity of a school of
11 nursing to provide care in underserved areas, shall use amounts appropriated by
12 subsection (a) to award grants for purposes of—

13 (1) recruiting, enrolling, and retaining students at such school, with a priority for
14 students from disadvantaged backgrounds (including racial or ethnic groups
15 underrepresented in the nursing workforce), individuals from rural and underserved
16 areas, low-income individuals, and first generation college students (as defined in
17 section 402A(h)(3) of the Higher Education Act of 1965 (20 U.S.C. 1070a–11(h)(3)));

18 (2) creating, supporting, or modernizing educational programs and curricula at
19 such school;

20 (3) retaining current faculty, and hiring new faculty, with an emphasis on faculty
21 from racial or ethnic groups that are underrepresented in the nursing workforce;

22 (4) modernizing infrastructure at such school, including audiovisual or other
23 equipment, personal protective equipment, simulation and augmented reality
24 resources, telehealth technologies, and virtual and physical laboratories;

25 (5) partnering with a health care facility, nurse-managed health clinic, community
26 health center, or other facility that provides health care, in order to provide
27 educational opportunities for the purpose of establishing or expanding clinical
28 education;

29 (6) enhancing and expanding nursing programs that prepare nurse researchers and
30 scientists;

31 (7) establishing nurse-led intradisciplinary and interprofessional educational
32 partnerships; or

33 (8) other activities that the Secretary determines will further the development,
34 improvement, and expansion of schools of nursing.

35 **SEC. 31009. FUNDING FOR PALLIATIVE CARE AND** 36 **HOSPICE EDUCATION AND TRAINING.**

37 (a) **In General.**—In addition to amounts otherwise available, there is appropriated to the
38 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
39 ~~\$30,000,000~~ **\$25,000,000, to remain available until expended**, to support the establishment or
40 operation of programs that—

1 (1) support training of health professionals in palliative and hospice care (including
2 through traineeships or fellowships); and

3 (2) foster patient and family engagement, integration of palliative and hospice care with
4 primary care and other appropriate specialties, and collaboration with community partners
5 to address gaps in health care for individuals in need of palliative or hospice care.

6 (b) Use of Funds.—The Secretary shall, giving priority to applicants proposing to carry out
7 programs or activities that demonstrate coordination with other Federal or State programs and
8 are expected to substantially benefit rural populations, medically underserved populations,
9 medically underserved communities, Indian Tribes or Tribal organizations, or Urban Indian
10 organizations, use amounts appropriated by subsection (a) to carry out a program to award grants
11 or contracts to entities defined in paragraph (1), (3), or (4) of section 799B of the Public Health
12 Service Act (42 U.S.C. 295p) or section 801(2) of such Act (42 U.S.C. 296) for purposes of
13 carrying out the following activities:

14 (1) Clinical training on providing integrated palliative and hospice care and primary care
15 delivery services.

16 (2) Interprofessional or interdisciplinary training to practitioners from multiple
17 disciplines and specialties, including training on the provision of care to individuals with
18 palliative or hospice care needs.

19 (3) Establishing or maintaining training-related community-based programs for
20 individuals with palliative or hospice care needs and caregivers to improve quality of life,
21 and where appropriate, health outcomes for individuals who have palliative or hospice care
22 needs.

23 ~~SEC. 31008~~ **31010. FUNDING FOR PALLIATIVE MEDICINE** 24 **PHYSICIAN TRAINING.**

25 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
26 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
27 \$20,000,000, **to remain available until expended**, to carry out a program to award grants and
28 contracts to accredited schools of medicine, schools of osteopathic medicine, teaching hospitals,
29 and graduate medical education programs for the purpose of providing support for projects that
30 fund the training of physicians or specialists who plan to teach or practice palliative medicine.

31 (b) Use of Funds.—Amounts made available to an awardee pursuant to subsection (a) shall be
32 used to—

33 (1) provide training in interprofessional or interdisciplinary team-based palliative
34 medicine through a variety of service rotations, such as rotations with respect to
35 consultation services or acute and chronic care services, and rotations in other health care
36 settings, including extended care facilities, ambulatory care and comprehensive evaluation
37 units, hospices, home care, and community care programs;

38 (2) develop specific performance-based measures to evaluate the competency of trainees;
39 and

40 (3) provide training in interprofessional or interdisciplinary, team-based palliative
41 medicine.

1 (c) Graduate Medical Education Program Defined.—In this section, the term “graduate
2 medical education program” means a program sponsored by an accredited school of medicine, an
3 accredited school of osteopathic medicine, a hospital, or a public or private institution that—

4 (1) offers postgraduate medical training in the specialties and subspecialties of medicine;
5 and

6 (2) has been accredited by—

7 (A) the Accreditation Council for Graduate Medical Education; or

8 (B) the American Osteopathic Association through its Committee on Postdoctoral
9 Training (or a successor committee).

10 ~~SEC. 31009~~ **31011. FUNDING FOR PALLIATIVE CARE** 11 **AND HOSPICE ACADEMIC CAREER AWARDS.**

12 In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal
13 year 2022, out of any money in the Treasury not otherwise appropriated, \$20,000,000, **to remain**
14 **available until expended**, to establish a program, consistent with section 753(b) of the Public
15 Health Service Act (42 U.S.C. 294c(b)), including paragraphs (5)(A) and (5)(B) of such section
16 753(b) concerning the ~~maximum~~ amount and duration of awards, respectively, except that such
17 program shall be to provide awards to accredited schools of medicine, osteopathic medicine,
18 nursing, social work, psychology, allied health, dentistry, or chaplaincy applying on behalf of
19 board-certified or board-eligible individuals in hospice and palliative medicine that have an
20 early-career junior (non-tenured) faculty appointment at an accredited school of medicine, or
21 osteopathic medicine, nursing, social work, psychology, allied health, dentistry, or chaplaincy, to
22 promote the academic career development of individuals as hospice and palliative care
23 specialists.

24 ~~SEC. 31010~~ **31012. FUNDING FOR HOSPICE AND** 25 **PALLIATIVE NURSING.**

26 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
27 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
28 \$20,000,000, **to remain available until expended**, to establish a program to award grants and
29 contracts to accredited schools of nursing, health care facilities, programs leading to certification
30 as a certified nurse assistant, partnerships of such schools and facilities, or partnerships of such
31 programs and facilities to develop and implement, in coordination with other hospice and
32 palliative care programs administered by the Department of Health and Human Services,
33 programs and initiatives to train and educate individuals in providing interprofessional,
34 interdisciplinary, team-based palliative care in health-related educational, hospital, hospice,
35 home, or long-term care settings.

36 (b) Use of Funds.—Amounts made available to an awardee pursuant to subsection (a) shall be
37 used to—

38 (1) provide training to individuals who will provide palliative care in health-related
39 educational, hospital, home, hospice, or long-term care settings;

40 (2) develop and disseminate curricula relating to palliative care in health-related

1 educational, hospital, home, hospice, or long-term care settings;

2 (3) train faculty members in palliative care in health-related educational, hospital, home,
3 hospice, or long-term care settings; and

4 (4) provide continuing education to individuals who provide palliative care in
5 health-related educational, home, hospice, or long-term care settings.

6 **SEC. ~~31011~~ 31013. FUNDING FOR DISSEMINATION OF**
7 **PALLIATIVE CARE INFORMATION.**

8 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
9 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
10 ~~\$10,000,000~~ **\$5,000,000**, to remain available until expended, for the purpose described in
11 subsection (b).

12 (b) Use of Funds.—The Secretary, after consultation with appropriate medical and other health
13 professional societies and palliative care and hospice stakeholders, shall use amounts
14 appropriated by subsection (a) to award grants or contracts to public and nonprofit private
15 entities to disseminate information to inform patients, families, caregivers, direct care workers,
16 and health professionals about the benefits of palliative care throughout the continuum of care
17 for patients with serious or life-threatening illness. Such awareness campaign shall include—

18 (1) information, resources, communication, and education materials about palliative care
19 for patients and families facing serious or life-threatening illnesses;

20 (2) information regarding hospice and palliative care services, including information on
21 how such services may—

22 (A) incorporate age-friendly, patient-centered, and family-centered support
23 throughout the continuum of care for serious and life-threatening illness;

24 (B) anticipate, prevent, and treat pain;

25 (C) optimize quality of life; and

26 (D) facilitate and support the goals and values of patients and families;

27 (3) materials that explain the role of professionals trained in hospice and palliative care in
28 providing team-based care for patients and families throughout the continuum of care for
29 serious or life-threatening illness; and

30 (4) materials for specific populations, including patients with serious or life-threatening
31 illness who are among medically underserved populations (as defined in section 330(b)(3)
32 of the Public Health Service Act (42 U.S.C. 254b(b)(3)) and families of such patients or
33 health professionals serving medically underserved populations.

34 **PART 2—PANDEMIC PREPAREDNESS**

35 **SEC. 31021. FUNDING FOR LABORATORY ACTIVITIES**
36 **AT THE CENTERS FOR DISEASE CONTROL AND**
37 **PREVENTION.**

1 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
2 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
3 \$1,400,000,000 to remain available until expended, for purposes of carrying out activities
4 consistent with subsection (b).

5 (b) Use of Funds.—The Secretary, acting through the Director of the Centers for Disease
6 Control and Prevention, shall use amounts made available pursuant to subsection (a) for the
7 following activities:

8 (1) Supporting renovation, improvement, expansion, and modernization of State and local
9 public health laboratory infrastructure (as the term “laboratory” is defined in section 353 of
10 the Public Health Service Act (42 U.S.C. 263a)), including—

11 (A) the improvement and enhancement of testing and response capacity;

12 (B) improvements and expansion of the Laboratory Response Network for rapid
13 outbreak detection;

14 (C) the improvement and expansion of genomic sequencing capabilities to detect
15 emerging diseases and variant strains; and

16 (D) the improvement and expansion of biosafety and biosecurity capacity.

17 (2) Enhancing the capacity of the laboratories of the Centers for Disease Control and
18 Prevention as described in subparagraphs (A) through (D) of paragraph (1).

19 (3) Enhancing the ability of the Centers for Disease Control and Prevention to monitor
20 and exercise oversight over the biosafety and biosecurity of State and local public health
21 laboratories.

22 SEC. 31022. FUNDING FOR PUBLIC HEALTH AND 23 PREPAREDNESS RESEARCH, DEVELOPMENT, AND 24 COUNTERMEASURE CAPACITY.

25 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
26 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
27 \$1,300,000,000, to carry out activities to prepare for, and respond to, public health emergencies
28 declared under section 319 of the Public Health Service Act (42 U.S.C. 247d), as described in
29 subsection (b), to remain available until expended.

30 (b) Use of Funds.—The Secretary, acting through the Assistant Secretary for Preparedness and
31 Response, shall use amounts made available pursuant to subsection (a)—

32 (1) to support surge capacity, including through construction, expansion, or
33 modernization of facilities, to respond to a public health emergency, and for development,
34 procurement, and domestic manufacture of drugs, active pharmaceutical ingredients,
35 vaccines and other biological products, diagnostic technologies and products, medical
36 devices (including personal protective equipment), vials, syringes, needles, and other
37 components or supplies for the Strategic National Stockpile under section 319F–2 of the
38 Public Health Service Act (42 U.S.C. 247d–6b);

39 (2) to support expanded global and domestic vaccine production capacity and

1 capabilities, including by developing or acquiring new technology and expanding
2 manufacturing capacity through construction, expansion, or modernization of facilities;

3 (3) to support activities to mitigate supply chain risks and enhance supply chain elasticity
4 and resilience for critical drugs, active pharmaceutical ingredients, and supplies (including
5 essential medicines, medical countermeasures, and supplies in shortage or at risk of
6 shortage), drug and vaccine raw materials, and other supplies, as the Secretary determines
7 appropriate, including construction, expansion, or modernization of facilities, adoption of
8 advanced manufacturing processes, and other activities to support domestic manufacturing
9 of such supplies;

10 (4) to support activities conducted by the Biomedical Advanced Research and
11 Development Authority for advanced research, standards development, and domestic
12 manufacturing capacity for drugs, including essential medicines, diagnostics, vaccines,
13 therapeutics, and personal protective equipment; and

14 (5) to support increased biosafety and biosecurity in research on infectious diseases,
15 including by modernization or improvement of facilities.

16 SEC. 31023. FUNDING FOR INFRASTRUCTURE 17 MODERNIZATION AND INNOVATION AT THE FOOD 18 AND DRUG ADMINISTRATION.

19 In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal
20 year 2022, out of any money in the Treasury not otherwise appropriated, to remain available
21 until expended, with respect to improving and modernizing infrastructure at the Food and Drug
22 Administration and enhancing food and medical product safety—

23 (1) \$150,000,000 for improving technological infrastructure, including through
24 developing integrated systems and improving the interoperability of information technology
25 systems; and

26 (2) \$150,000,000 for modernizing laboratory infrastructure of, or used by, the Food and
27 Drug Administration, including modernization of facilities related to, and supporting, such
28 laboratory infrastructure, including through planning for, and the construction, repair,
29 improvement, extension, alteration, demolition, and purchase of, fixed equipment or
30 facilities.

31 PART 3—MATERNAL MORTALITY

32 SEC. 31031. FUNDING FOR LOCAL ENTITIES 33 ADDRESSING SOCIAL DETERMINANTS OF MATERNAL 34 HEALTH.

35 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
36 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
37 \$100,000,000, to remain available until expended, for carrying out a program to award grants or
38 contracts to community-based organizations, Indian Tribes and Tribal organizations, Urban
39 Indian organizations, Native Hawaiian organizations, or other nonprofit organizations working

1 with a community-based organization, or consortia of any such entities, operating in areas with
2 high rates of adverse maternal health outcomes or with significant racial or ethnic disparities in
3 maternal health outcomes.

4 (b) Use of Funding.—Amounts made available by subsection (a) shall be used for the
5 following activities:

6 (1) Addressing social determinants of health (as described in Healthy People 2030),
7 including social determinants of maternal health, for pregnant and postpartum individuals
8 and eliminating racial and ethnic disparities in maternal health outcomes by—

9 (A) hiring, training, or retaining staff;

10 (B) developing or distributing culturally and linguistically appropriate resources for
11 social services programs;

12 (C) offering programs and resources to address social determinants of health;

13 (D) conducting demonstration projects to address social determinants of health;

14 (E) establishing a culturally and linguistically appropriate resource center that
15 provides multiple social services programs in a single location; and

16 (F) consulting with pregnant and postpartum individuals to conduct an assessment of
17 the activities conducted under this section.

18 (2) Promoting evidence-based health literacy and pregnancy, childbirth, and parenting
19 education for pregnant and postpartum individuals, and individuals seeking to become
20 pregnant.

21 (3) Providing support from perinatal health workers, including clinical and
22 community-based staff members that provide direct care and support services to pregnant
23 and postpartum individuals.

24 (4) Providing culturally congruent, linguistically appropriate, and trauma-informed
25 training to perinatal health workers, including clinical and community-based staff members
26 that provide direct care and support services to pregnant and postpartum individuals.

27 (c) Technical Assistance.—Using amounts made available under subsection (a), the Secretary
28 shall—

29 (1) conduct outreach to eligible entities to apply for grants or contracts under subsection
30 (a); and

31 (2) provide technical assistance, including through a grant or contract, to eligible entities
32 receiving funding pursuant to subsection (a).

33 SEC. 31032. FUNDING FOR THE OFFICE OF MINORITY 34 HEALTH.

35 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
36 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
37 \$75,000,000, to remain available until expended, for carrying out a program to award grants or
38 contracts to community-based organizations operating in areas with high rates of adverse
39 maternal health outcomes or with significant racial or ethnic disparities in maternal health

1 outcomes.

2 (b) Use of Funds.—The Secretary, acting through the Deputy Assistant Secretary for Minority
3 Health, shall use amounts made available under subsection (a) to award grants for the following
4 activities:

5 (1) Addressing social determinants of health, including social determinants of maternal
6 health, for pregnant and postpartum individuals and eliminating racial and ethnic disparities
7 in maternal health outcomes by—

8 (A) hiring, training, or retaining staff;

9 (B) developing or distributing culturally and linguistically appropriate resources for
10 social services programs;

11 (C) offering programs and resources to address social determinants of health;

12 (D) conducting demonstration projects to address social determinants of health;

13 (E) establishing a culturally and linguistically appropriate resource center that
14 provides multiple social services programs in a single location; and

15 (F) consulting with pregnant and postpartum individuals to conduct an assessment of
16 the activities conducted under this section.

17 (2) Promoting evidence-based health literacy and pregnancy, childbirth, and parenting
18 education for pregnant and postpartum individuals, and individuals seeking to become
19 pregnant.

20 (3) Providing support from perinatal health workers, including clinical and
21 community-based staff members that provide direct care and support services to pregnant
22 and postpartum individuals.

23 (4) Providing culturally congruent, linguistically appropriate, and trauma-informed
24 training to perinatal health workers, including clinical and community-based staff members
25 that provide direct care and support services to pregnant and postpartum individuals.

26 (c) Technical Assistance.—Using amounts made available under subsection (a), the Secretary
27 shall—

28 (1) conduct outreach to eligible entities to apply for grants or contracts under subsection
29 (a); and

30 (2) provide technical assistance, including through a grant or contract, to eligible entities
31 receiving funding pursuant to subsection (a).

32 **SEC. 31033. FUNDING TO GROW AND DIVERSIFY THE**
33 **NURSING WORKFORCE IN MATERNAL AND**
34 **PERINATAL HEALTH.**

35 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
36 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
37 \$170,000,000, to remain available until expended, for carrying out a program to award grants or
38 contracts to accredited schools of nursing for the purpose of growing and diversifying the

1 perinatal nursing workforce, including through improving the capacity and supply of health care
2 providers.

3 (b) Uses of Funds.—

4 (1) AWARDEES.—Prioritizing students and registered nurses who plan to practice or
5 currently practice in a health professional shortage area designated under section 332 of the
6 Public Health Service Act (42 U.S.C. 254e), amounts made available to awardees by
7 subsection (a) shall be used for the following activities:

8 (A) Providing scholarships to students, including those from racial and ethnic groups
9 underrepresented in the health professions, seeking to become nurse practitioners
10 whose education includes a focus on maternal and perinatal health.

11 (B) Providing scholarships to students seeking to become clinical nurse specialists
12 whose education includes a focus on maternal and perinatal health.

13 (C) Providing scholarships to students seeking to become certified nurse midwives.

14 (D) Providing scholarships to registered nurses seeking certification as an obstetrics
15 and gynecology registered nurse.

16 (2) SECRETARY.—The Secretary shall use amounts made available pursuant to subsection
17 (a) for the following activities:

18 (A) Developing and implementing strategies to recruit and retain a diverse pool of
19 students seeking to enter careers focused on maternal and perinatal health.

20 (B) Developing partnerships with practice settings in a health professional shortage
21 area designated under such section for the clinical placements of students at the
22 schools receiving such grants.

23 (C) Developing curriculum for students seeking to enter careers focused on maternal
24 and perinatal health that includes training programs on bias, racism, discrimination,
25 providing culturally competent care, or trauma-informed care.

26 (D) Carrying out other activities under title VIII of the Public Health Service Act for
27 the purpose under subsection (a).

28 SEC. 31034. FUNDING FOR PERINATAL QUALITY 29 COLLABORATIVES.

30 In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal
31 year 2022, out of any money in the Treasury not otherwise appropriated, \$50,000,000, to remain
32 available until expended, for carrying out a program to establish or support perinatal quality
33 collaboratives to improve perinatal care and perinatal health outcomes for pregnant and
34 postpartum individuals and their infants.

35 SEC. 31035. FUNDING TO GROW AND DIVERSIFY THE 36 DOULA WORKFORCE.

37 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
38 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,

1 \$50,000,000, to remain available until expended, for carrying out a program to award grants or
2 contracts to health professions schools, academic health centers, State or local governments,
3 territories, Indian Tribes and Tribal organizations, Urban Indian organizations, Native Hawaiian
4 organizations, or other appropriate public or private nonprofit entities (or consortia of any such
5 entities, including entities promoting multidisciplinary approaches), to establish or expand
6 programs to grow and diversify the doula workforce, including through improving the capacity
7 and supply of health care providers.

8 (b) Use of Funds.—Amounts made available by subsection (a) shall be used for the following
9 activities:

10 (1) Establishing programs that provide education and training to individuals seeking
11 appropriate training or certification as doulas.

12 (2) Expanding the capacity of existing programs described in paragraph (1), for the
13 purpose of increasing the number of students enrolled in such programs, including by
14 awarding scholarships for students who agree to work in underserved communities after
15 receiving such education and training.

16 (3) Developing and implementing strategies to recruit and retain students from
17 underserved communities, particularly from demographic groups experiencing high rates of
18 maternal mortality and severe maternal morbidity, including racial and ethnic minority
19 groups, into programs described in paragraphs (1) and (2).

20 **SEC. 31036. FUNDING TO GROW AND DIVERSIFY THE**
21 **MATERNAL MENTAL HEALTH AND SUBSTANCE USE**
22 **DISORDER TREATMENT WORKFORCE.**

23 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
24 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
25 \$75,000,000, to remain available until expended, for carrying out a program to award grants or
26 contracts to health professions schools, academic health centers, State or local governments,
27 territories, Indian Tribes and Tribal organizations, Urban Indian organizations, Native Hawaiian
28 organizations, or other appropriate public or private nonprofit entities (or consortia of any such
29 entities, including entities promoting multidisciplinary approaches), to establish or expand
30 programs to grow and diversify the maternal mental health and substance use disorder treatment
31 workforce, including through improving the capacity and supply of health care providers.

32 (b) Use of Funds.—Amounts made available by subsection (a) shall be used for the following
33 activities:

34 (1) Establishing programs that provide education and training to individuals seeking
35 appropriate licensing or certification as mental health or substance use disorder treatment
36 providers who plan to specialize in maternal mental health conditions or substance use
37 disorders.

38 (2) Expanding the capacity of existing programs described in paragraph (1), for the
39 purposes of increasing the number of students enrolled in such programs, including by
40 awarding scholarships for students.

41 (3) Developing and implementing strategies to recruit and retain students from

underserved communities into programs described in paragraphs (1) and (2).

SEC. 31037. FUNDING FOR MATERNAL MENTAL HEALTH EQUITY GRANT PROGRAMS.

(a) In General.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$100,000,000, to remain available until expended, for carrying out a program to award grants or contracts to community-based organizations, Indian Tribes and Tribal organizations, Urban Indian organizations, Native Hawaiian organizations, health care providers, accredited medical schools, accredited schools of nursing, teaching hospitals, accredited midwifery programs, physician assistant education programs, residency or fellowship programs, or other nonprofit organizations, schools, or programs determined appropriate by the Secretary, or consortia of any such entities, to address maternal mental health conditions and substance use disorders with respect to pregnant, lactating, and postpartum individuals in areas with high rates of adverse maternal health outcomes or with significant racial or ethnic disparities in maternal health outcomes.

(b) Use of Funds.—Amounts made available pursuant to subsection (a), prioritizing community-based organizations, shall be for the following activities:

(1) Establishing or expanding maternity care programs to improve—

(A) the integration of mental health and substance use disorder treatment services into primary care settings where pregnant individuals regularly receive health care services; and

(B) the coordination between such primary care settings and mental health and substance use disorder professionals who treat maternal mental health conditions and substance use disorders.

(2) Establishing or expanding programs that improve maternal mental health and substance use disorder treatment from the preconception through the postpartum periods, with a focus on individuals from racial and ethnic minority groups with high rates of maternal mortality and morbidity.

(3) Establishing or expanding programs to prevent suicide or self-harm among pregnant, lactating, and postpartum individuals.

(4) Establishing or expanding programs to provide education and training to maternity care providers, with respect to identifying potential warning signs for maternal mental health conditions or substance use disorders in pregnant, lactating, and postpartum individuals, with a focus on individuals from racial and ethnic minority groups and offering referrals to mental health substance use disorder treatment professionals;

~~*73 (5) Carrying out other evidence-based or evidence-informed programs to address maternal mental health conditions and substance use disorders for pregnant and postpartum individuals from racial and ethnic minority groups.~~

~~(6)~~(5) Raising awareness of, and addressing stigma associated with, maternal mental

1 health conditions and substance use disorders, with a focus on pregnant, lactating, and
2 postpartum individuals from racial and ethnic minority groups.

3 ** 73 ~~(5)~~(6) Carrying out other evidence-based or evidence-informed programs to
4 address maternal mental health conditions and substance use disorders for pregnant and
5 postpartum individuals from racial and ethnic minority groups.

6 **SEC. 31038. FUNDING FOR EDUCATION AND TRAINING**
7 **AT HEALTH PROFESSIONS SCHOOLS TO IDENTIFY**
8 **AND ADDRESS HEALTH RISKS ASSOCIATED WITH**
9 **CLIMATE CHANGE.**

10 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
11 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
12 \$85,000,000, to remain available until expended, for carrying out a program to award grants or
13 contracts to accredited medical schools, accredited schools of nursing, teaching hospitals,
14 accredited midwifery programs, physician assistant education programs, residency or fellowship
15 programs, or other schools or programs determined appropriate by the Secretary, or consortia of
16 any such entities, to support the development and integration of education and training programs
17 for identifying and addressing health risks associated with climate change for pregnant, lactating,
18 and postpartum individuals.

19 (b) Use of Funds.—Amounts made available by subsection (a) shall be used for developing,
20 integrating, and implementing curriculum and continuing education that focuses on the
21 following:

22 (1) Identifying health risks associated with climate change for pregnant, lactating, and
23 postpartum individuals and individuals with the intent to become pregnant.

24 (2) How health risks associated with climate change affect pregnant, lactating, and
25 postpartum individuals and individuals with the intent to become pregnant.

26 (3) Racial and ethnic disparities in exposure to, and the effects of, health risks associated
27 with climate change for pregnant, lactating, and postpartum individuals and individuals with
28 the intent to become pregnant.

29 (4) Patient counseling and mitigation strategies relating to health risks associated with
30 climate change for pregnant, lactating, and postpartum individuals.

31 (5) Relevant services and support for pregnant, lactating, and postpartum individuals
32 relating to health risks associated with climate change and strategies for ensuring such
33 individuals have access to such services and support.

34 (6) Implicit and explicit bias, racism, and discrimination in providing care to pregnant,
35 lactating, and postpartum individuals and individuals with the intent to become pregnant.

36 **SEC. 31039. FUNDING FOR MINORITY-SERVING**
37 **INSTITUTIONS TO STUDY MATERNAL MORTALITY,**
38 **SEVERE MATERNAL MORBIDITY, AND ADVERSE**

1 MATERNAL HEALTH OUTCOMES.

2 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
3 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
4 \$50,000,000, to remain available until expended for carrying out a program to award grants or
5 contracts to minority-serving institutions described in section 371 of the Higher Education Act of
6 1965 (20 U.S.C. 1067q) to study maternal mortality, severe maternal morbidity, and maternal
7 health outcomes.

8 (b) Use of Funds.—Amounts made available to an awardee under subsection (a) shall be used
9 for the purpose specified in such subsection, including the following activities:

10 (1) Developing and implementing systematic processes of listening to the stories of
11 pregnant and postpartum individuals from racial and ethnic minority groups, and perinatal
12 health workers supporting such individuals, to fully understand the causes of, and inform
13 potential solutions to, the maternal mortality and severe maternal morbidity crisis within
14 their respective communities.

15 (2) Assessing the potential causes of relatively low rates of maternal mortality among
16 Hispanic individuals and foreign-born Black women.

17 (3) Assessing differences in rates of adverse maternal health outcomes among subgroups
18 identifying as Hispanic.

19 (4) Conducting research on maternal morbidity and mortality, with a focus on health
20 disparities.

21 (c) Technical Assistance.—Using amounts made available by subsection (a), the Secretary
22 shall conduct outreach to minority-serving institutions (as described in section 371 of the Higher
23 Education Act of 1965 (20 U.S.C. 1067q))—

24 (1) to inform and raise awareness of the availability funding through a grant or contract
25 awarded pursuant to this section;

26 (2) to provide technical assistance, including through a grant or contract, on the
27 application process for grants or contracts awarded pursuant to subsection (a); and

28 (3) to promote capacity building to eligible entities for grant applications pursuant to
29 subsection (a).

30 SEC. 31040. FUNDING FOR IDENTIFICATION OF 31 MATERNITY CARE HEALTH PROFESSIONAL TARGET 32 AREAS.

33 In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal
34 year 2022, out of any money in the Treasury not otherwise appropriated, \$25,000,000, to remain
35 available until expended, for carrying out section 332(k) of the Public Health Service Act (42
36 U.S.C. 254e(k)).

37 SEC. 31041. FUNDING FOR MATERNAL MORTALITY 38 REVIEW COMMITTEES TO PROMOTE

1 REPRESENTATIVE COMMUNITY ENGAGEMENT.

2 In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal
3 year 2022, out of any money in the Treasury not otherwise appropriated, \$50,000,000, to remain
4 available until expended, for carrying out section 317K(d) of the Public Health Service Act (42
5 U.S.C. 247b–12(d)) to promote community engagement in maternal mortality review committees
6 to increase the diversity of a committee’s membership with respect to race and ethnicity,
7 location, and professional background.

8 SEC. 31042. FUNDING FOR THE SURVEILLANCE FOR 9 EMERGING THREATS TO MOTHERS AND BABIES.

10 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
11 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
12 \$100,000,000, to remain available until expended, for carrying out section 317C of the Public
13 Health Service Act (42 U.S.C. 247b–4) with respect to conducting surveillance for emerging
14 threats to mothers and babies.

15 (b) Use of Funds.—Amounts made available by subsection (a) shall be used for the following
16 activities:

17 (1) Expanding the Surveillance for Emerging Threats to Mothers and Babies activities of
18 the Centers for Disease Control and Prevention.

19 (2) Working with public health, clinical, and community-based organizations to provide
20 timely, continually updated, evidence-based guidance to families and health care providers
21 on ways to reduce risk to pregnant and postpartum individuals and their newborns and tailor
22 interventions to improve their long-term health.

23 (3) Partnering with more State, Tribal, territorial, and local public health programs in the
24 collection and analysis of clinical data on the impact of COVID–19 on pregnant and
25 postpartum patients and their newborns, particularly among patients from racial and ethnic
26 minority groups.

27 (4) Establishing regionally based centers of excellence to offer medical, public health,
28 and other knowledge (in coordination with State and Tribal public health authorities) to
29 ensure that communities, especially communities with large populations of individuals from
30 racial and ethnic minority groups, can help pregnant and postpartum individuals and
31 newborns get the care and support they need.

32 SEC. 31043. FUNDING FOR ENHANCING REVIEWS AND 33 SURVEILLANCE TO ELIMINATE MATERNAL 34 MORTALITY PROGRAM.

35 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
36 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
37 \$30,000,000, to remain available until expended, for carrying out the Enhancing Reviews and
38 Surveillance to Eliminate Maternal Mortality program established under section 317K of the
39 Public Health Service Act (42 U.S.C. 247b–12).

1 (b) Use of Funds.—Amounts made available by subsection (a) shall be used for the following
2 activities:

3 (1) Expanding the Enhancing Reviews and Surveillance to Eliminate Maternal Mortality
4 program (commonly known as the “ERASE MM program”) of the Centers for Disease
5 Control and Prevention.

6 (2) Expanding partnerships with States, territories, Indian Tribes, and Tribal
7 organizations to support Maternal Mortality Review Committees.

8 (3) Providing technical assistance to existing maternal mortality review committees.

9 **SEC. 31044. FUNDING FOR THE PREGNANCY RISK**
10 **ASSESSMENT MONITORING SYSTEM.**

11 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
12 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
13 \$15,000,000, to remain available until expended, for carrying out section 317K of the Public
14 Health Service Act (42 U.S.C. 247b–12) with respect to the Pregnancy Risk Assessment
15 Monitoring System.

16 (b) Use of Funds.—Amounts made available by subsection (a) shall be used for the following
17 activities:

18 (1) Supporting COVID–19 supplements to the Pregnancy Risk Assessment Monitoring
19 System questionnaire.

20 (2) Conducting a rapid assessment of COVID–19 awareness, impact on care and
21 experiences, and use of preventive measures among pregnant, laboring and birthing, and
22 postpartum individuals.

23 (3) Supporting the transition of the questionnaire described in paragraph (1) to an
24 electronic platform and expanding the distribution of the questionnaire to a larger
25 population, with a special focus on reaching underrepresented communities.

26 **SEC. 31045. FUNDING FOR THE NATIONAL INSTITUTE**
27 **OF CHILD HEALTH AND HUMAN DEVELOPMENT.**

28 In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal
29 year 2022, out of any money in the Treasury not otherwise appropriated, \$15,000,000, to remain
30 available until expended, for carrying out section 301 of the Public Health Service Act (42
31 U.S.C. 241), with respect to child health and human development and activities of the Eunice
32 Kennedy Shriver National Institute of Child Health and Human Development described in
33 section 448 of the Public Health Service Act (42 U.S.C. 285g), to conduct or support research for
34 interventions to mitigate the effects of COVID–19 on pregnant, lactating, and postpartum
35 individuals, with a particular focus on individuals from racial and ethnic minority groups.

36 **SEC. 31046. FUNDING FOR EXPANDING THE USE OF**
37 **TECHNOLOGY-ENABLED COLLABORATIVE LEARNING**
38 **AND CAPACITY BUILDING MODELS FOR PREGNANT**

1 AND POSTPARTUM INDIVIDUALS.

2 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
3 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
4 \$30,000,000, to remain available until expended, for carrying out a program to award grants or
5 contracts to community-based organizations, Indian Tribes and Tribal organizations, Urban
6 Indian organizations, health care providers, accredited medical schools, accredited schools of
7 nursing, teaching hospitals, accredited midwifery programs, physician assistant education
8 programs, residency or fellowship programs, or other schools or programs determined
9 appropriate by the Secretary, or consortia of any such entities, that are operating in health
10 professional shortage areas designated under section 332 of the Public Health Service Act (42
11 U.S.C. 254e) with high rates of adverse maternal health outcomes or significant racial and ethnic
12 disparities in maternal health outcomes, to evaluate, develop, and expand the use of
13 technology-enabled collaborative learning and capacity building models (as defined in section
14 330N of the Public Health Service Act (42 U.S.C. 254c–20)).

15 (b) Use of Funds.—

16 (1) AWARDEES.—A recipient of a grant or contract awarded pursuant to subsection (a)
17 shall use such amounts to—

18 (A) train maternal health care providers, students, staff of community-based
19 organizations, and other entities described in subsection (a) through the use and
20 expansion of technology-enabled collaborative learning and capacity building models,
21 including hardware and software that—

22 (i) enables distance learning and technical support; and

23 (ii) supports the secure exchange of electronic health information; and

24 (B) conduct evaluations on the use of technology-enabled collaborative learning and
25 capacity building models to improve maternal health outcomes.

26 (2) SECRETARY.—The Secretary shall use amounts made available pursuant to subsection
27 (a) to provide technical assistance to recipients of grants awarded pursuant to subsection (a)
28 on the development, use, and sustainability of technology-enabled collaborative learning
29 and capacity building models to expand access to maternal health services provided by such
30 entities.

31 SEC. 31047. FUNDING FOR PROMOTING EQUITY IN 32 MATERNAL HEALTH OUTCOMES THROUGH DIGITAL 33 TOOLS.

34 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
35 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
36 \$30,000,000, to remain available until expended, for carrying out a program to award grants or
37 contracts to community-based organizations, Indian Tribes and Tribal organizations, Urban
38 Indian organizations, health care providers, accredited medical schools, accredited schools of
39 nursing, teaching hospitals, accredited midwifery programs, physician assistant education
40 programs, residency or fellowship programs, or other schools or programs determined

1 appropriate by the Secretary, or consortia of any such entities, that are operating in health
2 professional shortage areas designated under section 332 of the Public Health Service Act (42
3 U.S.C. 254e) with high rates of adverse maternal health outcomes or significant racial and ethnic
4 disparities in maternal health outcomes to reduce racial and ethnic disparities in maternal health
5 outcomes by increasing access to digital tools related to maternal health care.

6 (b) Use of Funds.—Amounts made available to an awardee pursuant to subsection (a) shall be
7 used for the purpose specified in such subsection, including for increasing access to telehealth
8 technologies (as defined in section 330I of the Public Health Service Act (42 U.S.C. 254c–14))
9 and digital tools that could improve maternal health outcomes, such as wearable technologies,
10 patient portals, telehealth services, and web-based and mobile phone applications, digital health
11 services, secure text messaging, online provider communities, mobile clinical decision support
12 services, and clinical tools to increase diagnostic accuracy.

13 (c) Technical Assistance.—Using amounts made available under subsection (a), the Secretary
14 shall provide technical assistance, including through a grant or contract, to eligible entities
15 receiving funding pursuant to subsection (a) on the development, use, evaluation, and post-grant
16 sustainability of digital tools designed to promote equity and reduce disparities in maternal
17 health outcomes.

18 **SEC. 31048. FUNDING FOR ANTIDISCRIMINATION AND** 19 **BIAS TRAINING.**

20 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
21 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
22 \$50,000,000, to remain available until expended, for the purpose described in subsection (b).

23 (b) Use of Funds.—The Secretary shall, with a focus on maternal health providers, use
24 amounts appropriated under subsection (a) to carry out a program to award competitive grants or
25 contracts to national nonprofit organizations focused on improving health equity, accredited
26 schools of medicine or nursing, and other health professional training programs to develop,
27 disseminate, review, research, and evaluate training for health professionals and all staff who
28 interact with patients to reduce discrimination and bias in the provision of health care, with a
29 focus on maternal health care.

30 **PART 4—OTHER PUBLIC HEALTH INVESTMENTS**

31 **SEC. 31051. FUNDING FOR MENTAL HEALTH AND** 32 **SUBSTANCE USE DISORDER PROFESSIONALS.**

33 In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal
34 year 2022, out of any money in the Treasury not otherwise appropriated, \$50,000,000, to remain
35 available until expended, for purposes of carrying out section 597 of the Public Health Service
36 Act (42 U.S.C. 2901l).

37 **SEC. 31052. FUNDING TO SUPPORT PEER RECOVERY** 38 **SPECIALISTS.**

39 In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal

1 year 2022, out of any money in the Treasury not otherwise appropriated, \$25,000,000, to remain
2 available until expended, to carry out section 509 of the Public Health Service Act (42 U.S.C.
3 290bb–2) with respect to strengthening recovery community organizations and their statewide
4 network of recovery stakeholders.

5 **SEC. 31053. FUNDING FOR PROJECT AWARE.**

6 In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal
7 year 2022, out of any money in the Treasury not otherwise appropriated, \$15,000,000, to remain
8 available until expended, for carrying out section 520A of the Public Health Service Act (42
9 U.S.C. 290bb–32) with respect to advancing wellness and resiliency in education.

10 **SEC. 31054. FUNDING FOR THE NATIONAL SUICIDE** 11 **PREVENTION LIFELINE.**

12 In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal
13 year 2022, out of any money in the Treasury not otherwise appropriated, \$75,000,000, to remain
14 available until expended, for advancing infrastructure for the National Suicide Prevention
15 Lifeline program under section 520E–3 of the Public Health Service Act (42 U.S.C. 290bb–36c)
16 in order to expand existing capabilities for response in a manner that avoids duplicating existing
17 capabilities for text-based crisis support.

18 **SEC. 31055. FUNDING FOR COMMUNITY VIOLENCE** 19 **AND TRAUMA INTERVENTIONS.**

20 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
21 Secretary, for fiscal year 2022, out of any money in the Treasury not otherwise appropriated
22 \$2,500,000,000, to remain available until expended, for the purposes described in subsection (b):

23 (b) Use of Funding.—The Secretary, acting through the Director of the Centers for Disease
24 Control and Prevention, and in consultation with the Assistant Secretary for Mental Health and
25 Substance Use, the Administrator of the Health Resources and Services Administration, the
26 Deputy Assistant Secretary for Minority Health, and the Assistant Secretary for the
27 Administration for Children and Families, shall use amounts appropriated by subsection (a) to
28 support public health-based interventions to reduce community violence and trauma, taking into
29 consideration the needs of communities with high rates of, and prevalence of risk factors
30 associated with, violence-related injuries and deaths, by—

31 (1) awarding competitive grants or contracts to local governmental entities, States,
32 territories, Indian Tribes and Tribal organizations, Urban Indian organizations, hospitals and
33 community health centers, nonprofit community-based organizations, culturally specific
34 organizations, victim services providers, or other entities as determined by the Secretary (or
35 consortia of such entities) to support evidence-informed, culturally competent, and
36 developmentally appropriate strategies to reduce community violence, including outreach
37 and conflict mediation, hospital-based violence intervention, violence interruption, and
38 services for victims and individuals and communities at risk for experiencing violence, such
39 as trauma-informed mental health care and counseling, social-emotional learning and
40 school-based mental health services, workforce development services, and other services

1 that prevent or mitigate the impact of trauma, build appropriate skills, or promote resilience;
2 and

3 (2) supporting training, technical assistance, research, evaluation, **public health**
4 surveillance systems, data collection, and coordination among relevant stakeholders, to
5 facilitate support for strategies to reduce community violence and ensure safe and healthy
6 communities.

7 (c) Supplement Not Supplant.—Amounts appropriated under this section shall be used to
8 supplement and not supplant any Federal, State, or local funding otherwise made available for
9 the purposes described in this section.

10 (d) Expenditure Requirement.—All expenditures made pursuant to subsection (a) shall be
11 made on or before September 30, 2031.

12 SEC. 31056. FUNDING FOR THE NATIONAL CHILD 13 TRAUMATIC STRESS NETWORK.

14 In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal
15 year 2022, out of any money in the Treasury not otherwise appropriated, \$5,000,000, to remain
16 available until expended, for carrying out section 582 of the Public Health Service Act (42
17 U.S.C. 290hh–1) with respect to addressing the problem of high-risk or medically underserved
18 persons who experience violence-related stress.

19 SEC. 31057. FUNDING FOR HIV HEALTH CARE 20 SERVICES PROGRAMS.

21 In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal
22 year 2022, out of any money in the Treasury not otherwise appropriated, \$75,000,000, to remain
23 available until expended, for necessary expenses for modifications to existing contracts, and
24 supplements to existing grants and cooperative agreements under parts A, B, C, and D of title
25 XXVI of the Public Health Service Act and section 2692(a) of such Act (42 U.S.C.
26 300ff–111(a)).

27 SEC. 31058. FUNDING FOR CLINICAL SERVICES 28 DEMONSTRATION PROJECT.

29 In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal
30 year 2022, out of any money in the Treasury not otherwise appropriated, ~~\$100,000,000~~
31 **\$60,000,000**, to remain available until expended, to, acting through the Administrator of the
32 Health Resources and Services Administration, carry out a program to award grants or contracts
33 to public and private nonprofit clinics for the provision of clinical services, pursuant to a
34 demonstration project under section 318(b)(2) of the Public Health Service Act (42 U.S.C.
35 247c(b)(2)).

36 SEC. 31059. FUNDING TO SUPPORT THE LIFESPAN 37 RESPITE CARE PROGRAM.

38 In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal

1 year 2022, out of any money in the Treasury not otherwise appropriated, \$5,000,000, to remain
2 available until expended, for carrying out title XXIX of the Public Health Service Act.

3 SEC. 31060. FUNDING TO INCREASE RESEARCH 4 CAPACITY AT CERTAIN INSTITUTIONS.

5 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
6 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
7 \$75,000,000, to remain available until expended, for the purposes described in subsection (b).

8 (b) Use of Funds.—The Secretary, acting through the Director of the National Institutes of
9 Health, shall use amounts made available under subsection (a) to—

10 (1) maintain and expand programs to increase research capacity at minority-serving
11 institutions (as described in section 371 of the Higher Education Act of 1965 (20 U.S.C.
12 1067q)), including by supporting the Path to Excellence and Innovation program of the
13 National Institutes of Health;

14 (2) support centers of excellence under sections 464z–4 and 736 of the Public Health
15 Service Act (42 U.S.C. 285t–1, 293);

16 (3) support efforts to diversify the national scientific workforce and expand recruitment
17 and retention of individuals who are—

18 (A) underrepresented in the biomedical, clinical, behavioral, and social sciences; and

19 (B) from disadvantaged backgrounds; and

20 (4) support and expand the activities of the Scientific Workforce Diversity Office of the
21 National Institutes of Health.

22 SEC. 31061. FUNDING FOR RESEARCH RELATED TO 23 DEVELOPMENTAL DELAYS.

24 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
25 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
26 \$10,000,000, to remain available until expended, for the purpose described in subsection (b).

27 (b) Use of Funds.—The Secretary, acting through the Director of the National Institutes of
28 Health, shall use amounts appropriated by subsection (a) to conduct or support research related
29 to developmental delays, including speech and language delays in infants and toddlers,
30 characterizing speech and language development and outcomes in infants and toddlers through
31 early adolescence. Such research shall include studies, including longitudinal studies, conducted
32 or supported by the National Institute on Deafness and Other Communication Disorders, the
33 Eunice Kennedy Shriver National Institute of Child Health and Human Development, and other
34 relevant institutes and centers of the National Institutes of Health.

35 (c) Supplement, Not Supplant.—Amounts made available to carry out this section shall be
36 used to supplement and not supplant other Federal, State, and local public funds expended to
37 conduct or support research related to developmental delays, including speech and language
38 delays, in infants, toddlers, and children.

1 **SEC. 31062. SUPPLEMENTAL FUNDING FOR THE**
2 **WORLD TRADE CENTER HEALTH PROGRAM.**

3 (a) In General.—Title XXXIII of the Public Health Service Act is amended by adding at the
4 end the following:

5 **“SEC. 3352. SUPPLEMENTAL FUND.**

6 “(a) In General.—There is established a fund to be known as the World Trade Center Health
7 Program Supplemental Fund (referred to in this section as the ‘Supplemental Fund’), consisting
8 of amounts deposited into the Supplemental Fund under subsection (b).

9 “(b) Amount.—Out of any money in the Treasury not otherwise appropriated, there is
10 appropriated for fiscal year 2022, \$2,860,000,000, for deposit into the Supplemental Fund, which
11 amounts shall remain available through fiscal year 2031.

12 “(c) ~~Uses~~ **Use of Funds.**—Amounts deposited into the Supplemental Fund under subsection
13 (b) shall be available, without further appropriation and without regard to any spending
14 limitation under section 3351(c), to the WTC Program Administrator as needed at the discretion
15 of such Administrator for carrying out any provision in this title, including sections 3303 and
16 3341(c).

17 “(d) Return of Funds.—Any amounts that remain in the Supplemental Fund on September 30,
18 2031, shall be deposited into the Treasury as miscellaneous receipts.”.

19 (b) Conforming Amendments.—Title XXXIII of the Public Health Service Act is amended—

20 (1) in section 3311(a)(4)(B)(i)(II) (42 U.S.C. 300mm–21(a)(4)(B)(i)(II)), by striking
21 “section 3351” and inserting “sections 3351 and 3352”;

22 (2) in section 3321(a)(3)(B)(i)(II) (42 U.S.C. 300mm–31(a)(3)(B)(i)(II)), by striking
23 “section 3351” and inserting “sections 3351 and 3352”;

24 (3) in section 3331 (42 U.S.C. 300mm–41)—

25 (A) in subsection (a), by inserting “and the World Trade Center Health Program
26 Supplemental Fund” before the period at the end; and

27 (B) in subsection (d)—

28 (i) in paragraph (1)(B), by inserting “(excluding any expenditures from
29 amounts in the World Trade Center Health Program Supplemental Fund under
30 section 3352)” before the period at the end; and

31 (ii) in paragraph (2), in the flush text following subparagraph (C), by inserting
32 “(excluding any expenditures from amounts in the World Trade Center Health
33 Program Supplemental Fund under section 3352)” before the period at the end;
34 and

35 (4) in section 3351(b) (42 U.S.C. 300mm–61(b))—

36 (A) in paragraph (2), by inserting “or as available from the World Trade Center
37 Health Program Supplemental Fund under section 3352” before the period at the end;
38 and

1 (B) in paragraph (3), by inserting “or as available from the World Trade Center
2 Health Program Supplemental Fund under section 3352” before the period at the end.

3 PART 5—NATIVE HAWAIIAN PROVISIONS

4 SEC. 31071. NATIVE HAWAIIAN HEALTH CARE 5 SYSTEMS.

6 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
7 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
8 \$50,000,000, to remain available until September 30, 2031, for the Secretary, not later than 180
9 days after the date of enactment of this Act, to award grants to, or enter into contracts with, Papa
10 Ola Lokahi to support services described in section 6(c) of the Native Hawaiian Health Care
11 Improvement Act (42 U.S.C. 11705(c)) in accordance with this section.

12 (b) Use of Funds.—Amounts made available to an awardee pursuant to subsection (a) shall be
13 used for—

14 (1) the purchase, construction, alteration, renovation, or equipping of health facilities;

15 (2) maintenance and improvement projects;

16 (3) information technology, telehealth infrastructure, electric health records systems, and
17 medical equipment; and

18 (4) awarding grants to, or entering into contracts with, Native Hawaiian health care
19 systems (directly, or through subgrants or subcontracts) to support services described in
20 section 6(c) of the Native Hawaiian Health Care Improvement Act (42 U.S.C. 11705(c)), on
21 the condition that such grants or contracts may only be used for the purposes and uses
22 described in paragraphs (1) through (3).

23 (c) Waiver of Certain Restrictions.—Subsections (e) and (f)(4) of section 6 of the Native
24 Hawaiian Health Care Improvement Act (42 U.S.C. 11705(e), 11705(f)(4)) shall not apply to
25 grants (or subgrants) made using amounts made available under subsection (a).

26 (d) Definitions.—In this section:

27 (1) NATIVE HAWAIIAN HEALTH CARE SYSTEM.—The term “Native Hawaiian health care
28 system” has the meaning given the term in section 12 of the Native Hawaiian Health Care
29 Improvement Act (42 U.S.C. 11711).

30 (2) PAPA OLA LOKAHI.—The term “Papa Ola Lokahi” has the meaning given the term in
31 section 12 of the Native Hawaiian Health Care Improvement Act (42 U.S.C. 11711).

32 SEC. 31072. NATIVE HAWAIIAN HEALTH 33 IMPROVEMENT GRANTS.

34 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
35 Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
36 \$224,000,000, to remain available until September 30, 2031, to award grants to eligible Native
37 Hawaiian entities to improve the health status of Native Hawaiians, including by providing to
38 Native Hawaiians comprehensive health promotion services, disease prevention services, and

1 primary health services, as described in section 6(c) of the Native Hawaiian Health Care
2 Improvement Act (42 U.S.C. 11705(c)).

3 (b) Definition of Eligible Native Hawaiian Entity.—In this section, the term “eligible Native
4 Hawaiian entity” means—

5 (1) Papa Ola Lokahi (as defined in section 12 of the Native Hawaiian Health Care
6 Improvement Act (42 U.S.C. 11711));

7 (2) a Native Hawaiian health care system (as defined in section 12 of that Act (42 U.S.C.
8 11711));

9 (3) a Native Hawaiian organization (as defined in section 12 of that Act (42 U.S.C.
10 11711));

11 (4) a consortium of 2 or more entities described in paragraphs (1) through (3); and

12 (5) a consortium that contains at least 1 entity described in any of paragraphs (1) through
13 (3).

14 SEC. 31073. NATIVE HAWAIIAN HEALTH CARE 15 SYSTEMS LIABILITY COVERAGE.

16 (a) In General.—Subject to subsections (b) and (c), the Secretary shall apply section 102(d) of
17 the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5321(d)) to—

18 (1) a Native Hawaiian health care system that receives a grant from or enters into a
19 contract with the Secretary under section 6 of the Native Hawaiian Health Care
20 Improvement Act (42 U.S.C. 11705) to the same extent as section 102(d) of the Indian
21 Self-Determination and Education Assistance Act (25 U.S.C. 5321(d)) applies to an Indian
22 Tribe, a Tribal organization, and an Indian contractor that carries out a contract, grant
23 agreement, or cooperative agreement, as applicable, under section 102 or 103 of that Act
24 (25 U.S.C. 5321, 5322); and

25 (2) the employees of a Native Hawaiian health care system that receives a grant from or
26 enters into a contract with the Secretary under section 6 of the Native Hawaiian Health Care
27 Improvement Act (42 U.S.C. 11705) to the same extent as section 102(d) of the Indian
28 Self-Determination and Education Assistance Act (25 U.S.C. 5321(d)) applies to the
29 employees of an Indian Tribe, a Tribal organization, or an Indian contractor that carries out
30 a contract, grant agreement, or cooperative agreement, as applicable, under section 102 or
31 103 of that Act (25 U.S.C. 5321, 5322).

32 (b) Effective Date.—For purposes of subsection (a), each reference to December 22, 1987, and
33 the reference to the date of enactment of the Indian Self-Determination and Education Assistance
34 Act Amendments of 1990 contained in section 102(d) of the Indian Self-Determination and
35 Education Assistance Act (25 U.S.C. 5321(d)) shall be deemed to be a reference to the date of
36 enactment of this section.

37 (c) Sunset.—This section shall cease to have force or effect on October 1, 2031.

38 Subtitle J—Next Generation 9–1–1

1 SEC. 31101. DEPLOYMENT OF NEXT GENERATION

2 9–1–1.

3 (a) Appropriation.—

4 (1) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the
5 Assistant Secretary for fiscal year 2022, out of any money in the Treasury not otherwise
6 appropriated, \$470,000,000, to remain available until September 30, 2030, to make grants to
7 eligible entities for implementing and maintaining Next Generation 9–1–1 in accordance
8 with subsection (b).

9 (2) ADMINISTRATIVE EXPENSES.—In addition to amounts otherwise available, there is
10 appropriated to the Assistant Secretary for fiscal year 2022, out of any money in the
11 Treasury not otherwise appropriated, \$20,000,000, to remain available until September 30,
12 2030, to administer this section.

13 (b) Use of Funds.—An eligible entity may use grant funds received under this section for—

14 (1) reasonable costs associated with planning, implementation, and development
15 activities, including such activities related to the grant application;

16 (2) deployment, operation, and maintenance of interoperable and reliable Next
17 Generation 9–1–1, including ensuring the cybersecurity of Next Generation 9–1–1; and

18 (3) training of personnel related to Next Generation 9–1–1.

19 (c) Clawback.—The Assistant Secretary shall recover some or all of the grant funds made 20 available to an eligible entity under this section if—

21 (1) the eligible entity uses the funds for any other purpose than those set forth in
22 subsection (b);

23 (2) the eligible entity fails to establish a funding mechanism for Next Generation 9–1–1
24 sufficient to cover operations, maintenance, and upgrade costs within 3 years of the
25 establishment of the grant program;

26 (3) the eligible entity engages in the diversion of any 9–1–1 fee or charge imposed by the
27 eligible entity; or

28 (4) the eligible entity uses funds to purchase, rent, lease, or otherwise obtain covered
29 communications equipment or services (as defined in section 9 of the Secure and Trusted
30 Communications Networks Act of 2019 (47 U.S.C. 1608)).

31 SEC. 31102. ESTABLISHMENT OF NEXT GENERATION

32 9–1–1 CYBERSECURITY CENTER.

33 In addition to amounts otherwise available, there is appropriated to the National
34 Telecommunications and Information Administration for fiscal year 2022, out of any money in
35 the Treasury not otherwise appropriated, \$9,000,000, to remain available until September 30,
36 2030, for the establishment of a Next Generation 9–1–1 Cybersecurity Center to coordinate with
37 State, local, and regional governments on the sharing of cybersecurity information about, the
38 analysis of cybersecurity threats to, and strategies to detect and prevent cybersecurity intrusions

1 relating to, Next Generation 9–1–1.

2 **SEC. 31103. PUBLIC SAFETY NEXT GENERATION 9–1–1** 3 **ADVISORY BOARD.**

4 In addition to amounts otherwise available, there is appropriated to the National
5 Telecommunications and Information Administration for fiscal year 2022, out of any money in
6 the Treasury not otherwise appropriated, \$1,000,000, to remain available until September 30,
7 2030, to establish a 16-member Public Safety Next Generation 9–1–1 Advisory Board,
8 consisting of public safety officials and 9–1–1 professionals from diverse backgrounds and with
9 the necessary technical expertise, to provide recommendations to the Assistant Secretary with
10 respect to carrying out the duties and responsibilities of the Assistant Secretary related to Next
11 Generation 9–1–1, including with respect to the grant program established under section 31101.

12 **SEC. 31104. DEFINITIONS.**

13 In this subtitle:

14 (1) 9–1–1 FEE OR CHARGE.—The term “9–1–1 fee or charge” has the meaning given the
15 term in section 6(f)(3)(D) of the Wireless Communications and Public Safety Act of 1999
16 (47 U.S.C. 615a–1(f)(3)(D)).

17 (2) ASSISTANT SECRETARY.—The term “Assistant Secretary” means the Assistant
18 Secretary of Commerce for Communications and Information.

19 (3) COMMONLY ACCEPTED STANDARDS.—The term “commonly accepted standards”
20 means the technical standards followed by the communications industry for network,
21 device, and Internet Protocol connectivity that—

22 (A) ensure interoperability by enabling emergency communications centers to
23 receive, process, and analyze all types of 9–1–1 requests for emergency assistance
24 (including multimedia and data) and share such requests with other emergency
25 communications centers and emergency response providers without the need for
26 proprietary interfaces and regardless of jurisdiction, equipment, device, software,
27 service provider, or any other factor; and

28 (B) are developed and approved by a standards development organization that is
29 accredited by a United States or international standards body through a process—

30 (i) that is consensus-based and open for participation, provides conflict
31 resolution, and invites comment; and

32 (ii) through which standards are made publicly available once approved.

33 (4) ELIGIBLE ENTITY.—The term “eligible entity” means a State or a Tribal organization
34 that has—

35 (A) named a single point of contact to coordinate the implementation of Next
36 Generation 9–1–1; and

37 (B) developed and submitted a plan for the coordination and implementation of Next
38 Generation 9–1–1 consistent with any requirements of the Assistant Secretary.

1 (5) NEXT GENERATION 9–1–1.—The term “Next Generation 9–1–1” means an
2 interoperable, secure, Internet Protocol-based system that—

3 (A) employs commonly accepted standards;

4 (B) enables emergency communications centers to receive, process, and analyze all
5 types of 9–1–1 requests for emergency assistance;

6 (C) acquires and integrates additional information useful to handling 9–1–1 requests
7 for emergency assistance;

8 (D) supports sharing information related to 9–1–1 requests for emergency assistance
9 among emergency communications centers and emergency response providers without
10 the need for proprietary interfaces and regardless of jurisdiction, equipment, device,
11 software, service provider, or any other factor; and

12 (E) ensures reliability by enabling ongoing operation, including through the use of
13 geo-diverse device and network agnostic elements that provide more than 1 physical
14 route between end points with no common points where a single failure at that point
15 would cause the operation of Next Generation 9–1–1 to fail.

16 (6) STATE.—The term “State” means any State of the United States, the District of
17 Columbia, Puerto Rico, American Samoa, Guam, the United States Virgin Islands, the
18 Northern Mariana Islands, and any other territory or possession of the United States.

19 Subtitle K—Other Matters Related to Connectivity

20 SEC. 31201. OUTREACH.

21 In addition to amounts otherwise available, there is appropriated to the Federal
22 Communications Commission for fiscal year 2022, out of any money in the Treasury not
23 otherwise appropriated, \$100,000,000, to remain available until September 30, 2031, to conduct
24 outreach and provide education to the public regarding the broadband and communications
25 affordability programs of the Federal Communications Commission to raise awareness about the
26 programs and help consumers access the programs.

27 SEC. 31202. FUTURE OF TELECOMMUNICATIONS 28 COUNCIL.

29 In addition to amounts otherwise available, there is appropriated to the Secretary of Commerce
30 for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$7,000,000, to
31 remain available until September 30, 2031, to establish a council of 14 members in coordination
32 with the Committee on Commerce, Science, and Transportation of the Senate, the Committee on
33 Energy and Commerce of the House of Representatives, the Deputy Secretary of Commerce, the
34 Assistant Secretary of Commerce for Communications and Information, the Under Secretary of
35 Commerce for Standards and Technology, the Chair of the Federal Communications
36 Commission, the Director of the National Science Foundation, the Majority Leader of the Senate,
37 and the Speaker of the House of Representatives, to be known as the “Future of
38 Telecommunications Council”, to advise Congress on the development and adoption of 6G and
39 other advanced wireless communications technologies, including ensuring equity in access to
40 those technologies for communities of color and rural communities.

1 SEC. 31203. AFFORDABILITY.

2 (a) Definitions.—In this section:

3 (1) BROADBAND; BROADBAND SERVICE.—The term “broadband” or “broadband service”
4 has the meaning given the term “broadband internet access service” in section 8.1 of title
5 47, Code of Federal Regulations, or any successor regulation.

6 (2) COVERED BROADBAND SERVICE.—The term “covered broadband service” means
7 broadband service being delivered through a broadband network that can easily scale speeds
8 over time to—

9 (A) meet the evolving connectivity needs of households and businesses; and

10 (B) support the deployment of 5G, successor wireless technologies, and other
11 advanced services.

12 (3) COVERED PUBLIC-PRIVATE PARTNERSHIP.—The term “covered public-private
13 partnership” means a partnership between—

14 (A) a State, 1 or more political subdivisions of a State, a utility (including a utility
15 cooperative), a public utility district, a nonprofit organization, a regional planning
16 council, or an economic development authority; and

17 (B) a provider of covered broadband service.

18 (4) STATE.—The term “State” means any State of the United States, the District of
19 Columbia, Puerto Rico, American Samoa, Guam, the United States Virgin Islands, the
20 Northern Mariana Islands, and any other territory or possession of the United States.

21 (b) Funding.—

22 (1) PILOT PROJECTS.—In addition to amounts otherwise available, there is appropriated to
23 the National Telecommunications and Information Administration for fiscal year 2022, out
24 of any money in the Treasury not otherwise appropriated, ~~\$295,000,000~~ **\$280,000,000**, to
25 remain available until September 30, 2031, for grants to covered public-private partnerships
26 for pilot projects to increase access to affordable covered broadband service in urban
27 communities, including communities of color and for low- and middle-income consumers,
28 through long-term solutions for such affordability.

29 (2) ADMINISTRATION.—**In addition to amounts otherwise available, there is**
30 **appropriated to the National Telecommunications and Information Administration for**
31 **fiscal year 2022, out of any money in the Treasury not otherwise appropriated,**
32 **\$15,000,000, to remain available until September 30, 2031, to administer this section.**

33 (3) ADVISORY COMMITTEE.—In addition to amounts otherwise available, there is
34 appropriated to the National Telecommunications and Information Administration for fiscal
35 year 2022, out of any money in the Treasury not otherwise appropriated, \$5,000,000, to
36 remain available until September 30, 2031, to establish an advisory committee of 12
37 members consisting of experts on broadband affordability from diverse backgrounds, to be
38 known as the “Affordable Urban and Suburban Broadband Advisory Committee”, to advise
39 the National Telecommunications and Information Administration, the Federal
40 Communications Commission, and Congress on ways to make broadband more affordable

1 for urban and suburban broadband subscribers, including for communities of color and low-
2 and middle-income consumers, through long-term solutions for such affordability.

3 SEC. 31204. ACCESS TO DEVICES.

4 (a) Definitions.—In this section:

5 (1) ASSISTANT SECRETARY.—The term “Assistant Secretary” means the Assistant
6 Secretary of Commerce for Communications and Information.

7 (2) CONNECTED DEVICE.—The term “connected device” means any of the following
8 devices that meets minimum standards established by the Assistant Secretary:

9 (A) A WiFi-enabled desktop computer.

10 (B) A WiFi-enabled laptop computer.

11 (C) A WiFi-enabled tablet computer.

12 (D) Any similar WiFi-enabled device (except for a telephone or smartphone).

13 (3) CONNECTED DEVICE DISTRIBUTION PROGRAM.—The term “connected device
14 distribution program” means a program approved by the Assistant Secretary that makes
15 available connected devices for free or at a low cost to an eligible household.

16 (4) ELIGIBLE HOUSEHOLD.—The term “eligible household” means a household in
17 which—

18 (A) at least one member of the household meets the qualifications for the Lifeline
19 program of the Federal Communications Commission, except that a household shall be
20 deemed to meet the income component of those qualifications if the household’s
21 income is at or below 200 percent of the Federal Poverty Guidelines for a household of
22 that size;

23 (B) at least one member of the household has applied for and been approved to
24 receive benefits under the free and reduced price lunch program or the school breakfast
25 program;

26 (C) at least one member of the household has received a Federal Pell Grant in the
27 current award year, if such award is verifiable through the National Verifier or
28 National Lifeline Accountability Database or a connected device distribution program
29 verifies eligibility; or

30 (D) at least one member of the household receives assistance through the special
31 supplemental nutritional program for women, infants, and children.

32 (b) Connected Device Grant Program.—

33 (1) APPROPRIATIONS.—

34 (A) IN GENERAL.—In addition to amounts otherwise available, there is appropriated
35 to the Assistant Secretary for fiscal year 2022, out of any money in the Treasury not
36 otherwise appropriated, \$475,000,000, to remain available until September 30, 2031,
37 for the awarding of grants to connected device distribution programs in accordance
38 with this section.

1 (B) ADMINISTRATION.—In addition to amounts otherwise available, there is
2 appropriated to the Assistant Secretary for fiscal year 2022, out of any money in the
3 Treasury not otherwise appropriated, \$20,000,000, to remain available until September
4 30, 2031, to administer this section, including providing technical assistance to a
5 connected device distribution program.

6 (C) OUTREACH.—In addition to amounts otherwise available, there is appropriated
7 to the Assistant Secretary for fiscal year 2022, out of any money in the Treasury not
8 otherwise appropriated, \$5,000,000, to remain available until September 30, 2031, to
9 conduct outreach related to the availability of grants under this section.

10 (2) USE OF FUNDS.—

11 (A) IN GENERAL.—A connected device distribution program shall use grant funds
12 received under this section for—

13 (i) the reasonable purchase or refurbishment cost of connected devices for
14 distribution to eligible households consistent with this section; and

15 (ii) the reasonable administrative costs associated with the distribution of
16 connected devices described in clause (i).

17 (B) LIMITATION.—A connected device distribution program may use grant funds
18 received under this section to provide not more than—

19 (i) 1 connected device to an eligible household that includes not more than 2
20 members over the age of 6; or

21 (ii) 2 connected devices to an eligible household that includes not fewer than 3
22 members over the age of 6.

23 (3) CLAWBACK.—If a connected device distribution program is found to have used grant
24 funds awarded under this section in a manner not permitted under this section or is found to
25 have otherwise violated a requirement under this section, the Assistant Secretary shall
26 recover from the program some or all of the grant funds awarded to the program.

27 **Subtitle L—Distance Learning**

28 **SEC. 31301. ADDITIONAL SUPPORT FOR DISTANCE**
29 **LEARNING.**

30 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
31 Emergency Connectivity Fund established under subsection (c)(1) of section 7402 of the
32 American Rescue Plan Act of 2021 (Public Law 117–2) for fiscal year 2022, out of any money in
33 the Treasury not otherwise appropriated, \$300,000,000, to remain available until September 30,
34 2030, to provide support under the covered regulations promulgated under subsection (a) of that
35 section, except that that amount shall be used to provide support under the covered regulations
36 for costs incurred after the date of enactment of this Act but before June 30, 2030, regardless of
37 whether those costs are incurred during a COVID–19 emergency period (as defined in subsection
38 (d) of that section).

39 (b) Limitation.—None of the funds appropriated under subsection (a) may be used to

1 purchase, rent, lease, or otherwise obtain any covered communications equipment or service (as
2 defined in section 9 of the Secure and Trusted Communications Networks Act of 2019 (47
3 U.S.C. 1608)).

4 Subtitle M—Manufacturing Supply Chain and Tourism

5 SEC. 31401. MANUFACTURING SUPPLY CHAIN 6 RESILIENCE.

7 In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of
8 any money in the Treasury not otherwise appropriated, \$5,000,000,000, to remain available until
9 September 30, 2026, to the Office of the Secretary of Commerce, to support the resilience of
10 manufacturing supply chains affecting interstate commerce and related administrative costs,
11 by—

12 (1) mapping and monitoring manufacturing supply chains;

13 (2) facilitating and supporting the establishment of voluntary standards, guidelines, and
14 best practices **relevant to the resilience of manufacturing supply chains**;

15 (3) identifying, accelerating, promoting, demonstrating, and deploying technological
16 advances for manufacturing supply chains; and

17 (4) providing grants, loans, and loan guarantees to maintain and improve manufacturing
18 supply chain resiliency.

19 SEC. 31402. DESTINATION MARKETING 20 ORGANIZATION GRANT PROGRAM TO PROMOTE SAFE 21 DOMESTIC TRAVEL.

22 (a) Grants for Domestic Marketing Organizations.—In addition to amounts otherwise
23 available, there is appropriated for fiscal year 2022, out of any money in the Treasury not
24 otherwise appropriated, \$47,500,000, to remain available until September 30, 2024, to the
25 Secretary of Commerce to award grants to destination marketing organizations, including public
26 or public-private entities that perform the functions of a destination marketing organization as
27 determined by the Secretary, to conduct marketing activities to promote domestic travel within
28 the United States, including with respect to current travel requirements and safe travel practices,
29 with preference to destination marketing organizations promoting a town, city, State, or region
30 where the civilian labor force in the accommodation, leisure, and hospitality sector has suffered,
31 and continues to suffer, significant job losses as a result of the COVID–19 pandemic, as
32 determined by the Secretary.

33 (b) Administrative Costs.—In addition to amounts otherwise available, there is appropriated
34 for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$1,500,000, to
35 remain available until September 30, 2027, to the Secretary of Commerce for administrative
36 costs associated with providing grants under subsection (a).

37 (c) Data on Domestic Travel and Tourism.—In addition to amounts otherwise available, there
38 is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise
39 appropriated, \$1,000,000, to remain available until September 30, 2027, to the Secretary of

1 Commerce to collect data on domestic travel and tourism in the United States, including the
2 impact of the COVID–19 pandemic on domestic travel and tourism.

3 Subtitle N—FTC Privacy Enforcement

4 SEC. 31501. FEDERAL TRADE COMMISSION FUNDING 5 FOR A PRIVACY BUREAU AND RELATED EXPENSES.

6 In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of
7 any money in the Treasury not otherwise appropriated, \$500,000,000, to remain available until
8 September 30, 2029, to the Federal Trade Commission to create and operate a bureau, including
9 by hiring and retaining technologists, user experience designers, and other experts as the
10 Commission considers appropriate, to accomplish its work related to unfair or deceptive acts or
11 practices relating to privacy, data security, identity theft, data abuses, and related matters.

12 SEC. 31502. FEDERAL TRADE COMMISSION.

13 Section 5(m)(1)(A) of the Federal Trade Commission Act (15 U.S.C. 45(m)(1)(A)) is
14 amended—

15 (1) by inserting “this Act’s prohibition of unfair or deceptive acts or practices or”
16 after “violates” the first place it appears; and

17 (2) by inserting “a violation of this Act or” after “unfair or deceptive and”.

18 Subtitle O—Department of Commerce Inspector General

19 SEC. 31601. FUNDING FOR THE OFFICE OF INSPECTOR 20 GENERAL OF THE DEPARTMENT OF COMMERCE.

21 In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of
22 any money in the Treasury not otherwise appropriated, \$5,000,000, to remain available until
23 September 30, 2030, to the Office of Inspector General of the Department of Commerce for
24 oversight of activities supported with funds appropriated to the Department of Commerce in this
25 Act.

House Office of Legislative Counsel

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- 1 This redlined draft, generated by CompareRite (TM) - The Instant Redliner, shows the
- 2 differences between -
- 3 original document : C:\TEMP\C\TEMP\HOLCDOCS\RECON_FS.RTF
- 4 and revised document: C:\TEMP\C\TEMP\HOLCDOCS\YARMUT_021.RTF
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- 6 CompareRite found 138 change(s) and 1 move(s) in the text
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- 8 Deletions appear as Overstrike text
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TITLE IV—COMMITTEE ON FINANCIAL SERVICES

Subtitle A—Creating and Preserving Affordable, Equitable and Accessible Housing for the 21st Century

SEC. 40001. PUBLIC HOUSING INVESTMENTS.

(a) Appropriation.—In addition to amounts otherwise made available, there is appropriated to the Secretary of Housing and Urban Development (in this section referred to as the “Secretary”) for fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

(1) \$10,000,000,000, to remain available until September 30, 2031, for the Capital Fund under section 9(d) of the United States Housing Act of 1937 (42 U.S.C. 1437g(d)) pursuant to the same formula as in fiscal year 2021, to be made available within 60 days of the date of the enactment of this Act;

(2) \$53,000,000,000, to remain available until September 30, 2026, for eligible activities under section 9(d)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437g(d)(1)) for priority investments as determined by the Secretary to repair, replace, or construct properties assisted under such section 9;

(3) \$1,200,000,000, to remain available until September 30, 2026, for competitive grants under section 24 of the United States Housing Act of 1937 (42 U.S.C. 1437v) (in this section referred to as “section 24”), under the terms and conditions in subsection (b), for transformation, rehabilitation, and replacement housing needs of public and assisted housing, and to transform neighborhoods of poverty into functioning, sustainable mixed-income neighborhoods;

(4) \$750,000,000, to remain available until September 30, 2031, for the costs to the Secretary of administering and overseeing the implementation of this section and the Public Housing Capital Fund and the section 24 grant program generally, including information technology, financial reporting, research and evaluation, other cross-program costs in support of programs administered by the Secretary in this title, and other costs; and

(5) \$50,000,000, to remain available until September 30, 2031, to make new awards or increase prior awards to existing technical assistance providers to provide an increase in capacity building and technical assistance available to entities eligible for funding for activities or projects consistent with this section.

(b) Terms and Conditions for Section 24 Grants.—Grants awarded under subsection (a)(3) shall be subject to terms and conditions determined by the Secretary, which shall include the following:

(1) USE.—Grant funds may be used for resident and community services, community development and revitalization, and affordable housing needs in the community.

(2) APPLICANTS.—Eligible recipients of grants shall include lead applicants and joint applicants, as follows:

(A) LEAD APPLICANTS.—A lead applicant shall be a local government, a public

1 housing agency, or an owner of an assisted housing property.

2 (B) JOINT APPLICANTS.—A nonprofit organization or a for-profit developer may
3 apply jointly as a joint applicant with such public entities specified in subparagraph
4 (A). **A local government must be a joint applicant with an owner of an assisted**
5 **housing property specified in subparagraph (A).**

6 (3) PERIOD OF AFFORDABILITY.—Grantees shall commit to a period of affordability
7 determined by the Secretary of not fewer than 20 years, but the Secretary may specify a
8 period of affordability that is fewer than 20 years with respect to homeownership units
9 developed with section 24 grants.

10 (4) ENVIRONMENTAL REVIEW.—For purposes of environmental review, a grantee shall be
11 treated as a public housing agency under section 26 of the United States Housing Act of
12 1937 (42 U.S.C. 1437x).

13 (5) LOW-INCOME AND AFFORDABLE HOUSING.—Amounts made available under this
14 section shall be used for low-income housing (as such term is defined under section 3(b) of
15 the United States Housing Act of 1937 (42 U.S.C. 1437a(b))), HUD-assisted housing, and
16 affordable housing, which shall be housing for which the owner of the project shall record
17 an affordability use restriction approved by the Secretary for households earning up to 120
18 percent of the area median income and is subject to the period of affordability under
19 paragraph (3) of this subsection.

20 (c) Other Terms and Conditions.—Grants awarded under this section shall be subject to the
21 following terms and conditions:

22 (1) LIMITATION.—Amounts provided pursuant to this section may not be used for
23 operating costs or rental assistance.

24 (2) DEVELOPMENT OF NEW UNITS.—Paragraph (3) of section 9(g) of the United States
25 Housing Act of 1937 (42 U.S.C. 1437g(g)(3)) shall not apply to new funds made available
26 under this section.

27 (3) HEALTH AND SAFETY.—Amounts made available under this section shall be used to
28 address health, safety, and environmental hazards, including lead, fire, carbon monoxide,
29 mold, asbestos, radon, pest infestation, and other hazards as defined by the Secretary.

30 (4) ENERGY EFFICIENCY AND RESILIENCE.—Amounts made available under this section
31 shall advance improvements to energy and water efficiency or climate and disaster
32 resilience in housing assisted under this section.

33 (5) RECAPTURE.—If the Secretary recaptures funding allocated by formula from a public
34 housing agency under subsection (a)(1), such recaptured amounts shall be added to the
35 amounts available under subsection (a)(2), and shall be obligated by the Secretary prior to
36 the expiration of such funds.

37 (6) SUPPLEMENTATION OF FUNDS.—The Secretary shall ensure that amounts provided
38 pursuant to this section shall serve to supplement and not supplant other amounts generated
39 by a recipient of such amounts or amounts provided by other Federal, State, or local
40 sources.

41 (7) WAIVERS AND ALTERNATIVE REQUIREMENTS.—The Secretary may waive or specify

1 alternative requirements for subsections (d)(1), (d)(2), (e), and (j) of section 9 of the United
2 States Housing Act of 1937 (42 U.S.C. 1437g) and associated regulations in connection
3 with the use of amounts made available under this section other than requirements related to
4 tenant rights and protections, fair housing, nondiscrimination, labor standards, and the
5 environment, upon a finding that the waiver or alternative requirement is necessary to
6 facilitate the use of amounts made available under this section.

7 (d) Implementation.—The Secretary shall have authority to issue such regulations or notices,
8 or other guidance, forms, instructions, and publications to carry out the programs, projects, or
9 activities authorized under this section to ensure that such programs, projects, or activities are
10 completed in a timely and effective manner.

11 SEC. 40002. INVESTMENTS IN AFFORDABLE AND 12 ACCESSIBLE HOUSING PRODUCTION.

13 (a) Appropriation.—In addition to amounts otherwise made available, there is appropriated to
14 the Secretary of Housing and Urban Development (in this section referred to as the “Secretary”)
15 for fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

16 (1) \$9,925,000,000, to remain available until September 30, 2026, for activities and
17 assistance for the HOME Investment Partnerships Program (in this section referred to as the
18 “HOME program”), as authorized under sections 201 through 253 and 255 through 290 of
19 the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12721-12753, 42
20 U.S.C. 12755-12840) (in this section referred to as “NAHA”), subject to the terms and
21 conditions paragraph (1)(A) of subsection (b);

22 (2) \$14,925,000,000, to remain available until September 30, 2026, for activities and
23 assistance for the HOME Investment Partnerships Program, as authorized under sections
24 201 through 253 and 255 through 290 of the Cranston-Gonzalez National Affordable
25 Housing Act (42 U.S.C. 12721-12753, 42 U.S.C. 12755-12840), subject to the terms and
26 conditions in paragraphs (1)(B) and (2) of subsection (b);

27 (3) \$50,000,000, to remain available until September 30, 2031, to make new awards or
28 increase prior awards to existing technical assistance providers to provide an increase in
29 capacity building and technical assistance available to any grantees implementing activities
30 or projects consistent with this section; and

31 (4) \$100,000,000, to remain available until September 30, 2031, for the costs to the
32 Secretary of administering and overseeing the implementation of this section and the
33 HOME and Housing Trust Fund programs generally, including information technology,
34 financial reporting, research and evaluations, and other cross-program costs in support of
35 programs administered by the Secretary in this title, and other costs.

36 (b) Terms and Conditions.—

37 (1) FORMULAS.—

38 (A) The Secretary shall allocate amounts made available under subsection (a)(1)
39 pursuant to section 217 of NAHA (42 U.S.C. 12747) to grantees that received
40 allocations pursuant to that same formula in fiscal year 2021 and shall make such
41 allocations within 60 days of the enactment of this Act.

1 (B) The Secretary shall allocate amounts made available under subsection (a)(2)
2 pursuant to the formula specified in section 1338(c)(3) of the Federal Housing
3 Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4568(c)(3)) to
4 grantees that received Housing Trust Fund allocations pursuant to that same formula in
5 fiscal year 2021 and shall make such allocations within 60 days of the date of the
6 enactment of this Act.

7 (2) ELIGIBLE ACTIVITIES.—Other than as provided in paragraph (5) of this subsection,
8 funds made available under subsection (a)(2) may only be used for eligible activities
9 described in subparagraphs (A) through (B)(i) of section 1338(c)(7) of the Federal Housing
10 Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4568(c)(7)), except that
11 not more than 10 percent of funds made available may be used for activities under such
12 subparagraph (B)(i).

13 (3) FUNDING RESTRICTIONS.—The commitment requirements in section 218(g) (42
14 U.S.C. 12748(g)) of NAHA, the matching requirements in section 220 (42 U.S.C. 12750) of
15 NAHA, and the set-aside for housing developed, sponsored, or owned by community
16 housing development organizations required in section 231 of NAHA (42 U.S.C. 12771)
17 shall not apply for amounts made available under this section.

18 (4) REALLOCATION.—For funds provided under paragraphs (1) and (2) of subsection (a),
19 the Secretary may recapture certain amounts remaining available to a grantee under this
20 section or amounts declined by a grantee, and reallocate such amounts to other grantees
21 under that paragraph to ensure fund expenditure, geographic diversity, and availability of
22 funding to communities within the State from which the funds have been recaptured.

23 (5) ADMINISTRATION.—Notwithstanding subsections (c) and (d)(1) of section 212 of
24 NAHA (42 U.S.C. 12742), grantees may use not more than 15 percent of their allocations
25 under this section for administrative and planning costs.

26 (c) Waivers.—The Secretary may waive or specify alternative requirements for any provision
27 of **the Cranston-Gonzalez National Affordable Housing Act specified in** subsection (a)(1) or
28 (a)(2) or regulation for the administration of the amounts made available under this section other
29 than requirements related to tenant rights and protections, fair housing, nondiscrimination, labor
30 standards, and the environment, upon a finding that the waiver or alternative requirement is
31 necessary to facilitate the use of amounts made available under this section.

32 (d) Implementation.—The Secretary shall have authority to issue such regulations, notices, or
33 other guidance, forms, instructions, and publications to carry out the programs, projects, or
34 activities authorized under this section to ensure that such programs, projects, or activities are
35 completed in a timely and effective manner.

36 SEC. 40003. HOUSING INVESTMENT FUND.

37 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated for fiscal
38 year 2022, out of any money in the Treasury not otherwise appropriated, to remain available
39 until September 30, 2026—

40 (1) ~~\$200,000,000~~ **\$740,000,000** to the Department of the Treasury to establish the
41 Housing Investment Fund established by this section within the Community Development
42 Financial Institutions Fund (in this section referred to as the “CDFI Fund”) to make grants

1 to increase investment in the development, preservation, rehabilitation, financing, or
2 purchase of affordable housing primarily for low-, very-low, and extremely low-income
3 families who are renters, and for homeowners with incomes up to 120 percent of the area
4 median income, and for economic development and community facilities related to such
5 housing and to further fair housing; and

6 (2) ~~\$50,000,000~~ **\$10,000,000** for the costs to the CDFI Fund of administering and
7 overseeing the implementation of this section, including information technology, financial
8 reporting, research and evaluations, and other costs.

9 (b) Eligible Grantees.—A grant under this section may be made, pursuant to such
10 requirements as the CDFI Fund shall establish, only to—

11 (1) a CDFI Fund certified community development financial institution, as such term is
12 defined in section 103 of the Riegle Community Development and Regulatory Improvement
13 Act of 1994 (12 U.S.C. 4702);

14 (2) a nonprofit organization having as one of its principal purposes the creation,
15 development, or preservation of affordable housing ~~and that is not found to be out of~~
16 ~~compliance with the obligation to affirmatively further fair housing, as applicable,~~ including
17 a subsidiary of a public housing authority; or

18 (3) a consortium comprised of certified community development financial institutions,
19 eligible nonprofit housing organizations, or a combination of both.

20 (c) Eligible Uses.—Eligible uses for grant amounts awarded from the Housing Investment
21 Fund pursuant to this section shall—

22 (1) be reasonably expected to result in eligible affordable housing activities that support
23 or sustain affordable housing funded by a grant under this section and capital from other
24 public and private sources; and

25 (2) include activities—

26 (A) **to provide loan loss reserves;**

27 (B) to capitalize an acquisition fund to acquire residential, industrial, or commercial
28 property and land for the purpose of the preservation, development, or rehabilitation of
29 affordable housing, including to support the creation, preservation, or rehabilitation of
30 resident-owned manufactured housing communities;

31 ~~(B)~~(C) to capitalize an affordable housing fund, for development, preservation,
32 rehabilitation, or financing of affordable housing and economic development activities,
33 including community facilities, if part of a mixed-use project, or activities described in
34 this paragraph related to transit-oriented development, which may also be designated
35 as a focus of such a fund;

36 ~~and~~

37 ~~(C)~~(D) to capitalize an affordable housing mortgage fund, to facilitate the
38 origination of mortgages to buyers that may experience significant barriers to
39 accessing affordable mortgage credit, including mortgages having low original
40 principal obligations;

- 1 ~~(D)~~(E) for risk-sharing loans;
2 ~~(E)~~(F) to provide loan guarantees; and
3 ~~(F)~~(G) to fund rental housing operations.

4 (d) Implementation.—The CDFI Fund shall have the authority to issue such regulations,
5 notice, or other guidance, forms, instructions, and publications to carry out the programs,
6 projects, or activities authorized under this section to ensure that such programs, projects, or
7 activities are completed in a timely and effective manner.

8 **SEC. 40004. SECTION 811 SUPPORTIVE HOUSING FOR** 9 **PEOPLE WITH DISABILITIES.**

10 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
11 Secretary of Housing and Urban Development (in this section referred to as the “Secretary”) for
12 fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

13 (1) \$450,000,000 for capital advances, including amendments to capital advance
14 contracts, for supportive housing for persons with disabilities, as authorized by section
15 811(b)(2) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C.
16 8013(b)(2)) (in this section referred to as the “Act”), and subject to subsections (a) through
17 (h)(4), (h)(6) through (i)(1)(C), and (i)(2) through (m) of such section 811 (42 U.S.C.
18 8013(a)-42 U.S.C. 8013(h)(4), 42 U.S.C. 8013(h)(6)-42 U.S.C. 8013(i)(1)(C), 42 U.S.C.
19 8013(i)(2)-42 U.S.C. 8013(m)), and for project rental assistance for supportive housing for
20 persons with disabilities under section 811(d)(2) of the Act and for project assistance
21 contracts pursuant to section 202(h) of the Housing Act of 1959 (Public Law 86–372; 73
22 Stat. 667), for project rental assistance to State housing finance agencies and other
23 appropriate entities as authorized under section 811(b)(3) of the Act, for State housing
24 finance agencies;

25 (2) \$7,500,000 for providing technical assistance to support State-level efforts to
26 integrate housing assistance and voluntary supportive services for residents of housing
27 receiving such assistance, which funding may also be used to provide technical assistance to
28 applicants and potential applicants to understand program requirements and develop
29 effective applications, and the Secretary may use amounts made available under this
30 paragraph to increase prior awards to existing technical assistance providers to provide an
31 immediate increase in capacity building and technical assistance; and

32 (3) \$42,500,000 for the costs to the Secretary of administering and overseeing the
33 implementation of this section and the Supportive Housing for Persons with Disabilities
34 program generally, including information technology, financial reporting, research and
35 evaluations, other cross-program costs in support of programs administered by the Secretary
36 in this title, and other costs.

37 Amounts appropriated by this section shall remain available until September 30, 2031.

38 (b) Limitations on Costs.—When awarding grants under paragraph (1) of subsection (a), the
39 Secretary shall establish and assess reasonable development cost limitations by market area for
40 various types and sizes of supportive housing for persons with disabilities. The Secretary shall
41 not count owner or sponsor contributions of other funding or assistance against the overall cost

1 of a project.

2 (c) Occupancy Standards.—The owner or sponsor of housing assisted with funds provided
3 under this section may, with the approval of the Secretary, limit occupancy with the housing to
4 persons with disabilities who can benefit from the supportive services offered in connection with
5 the housing.

6 (d) Waivers.—The Secretary may waive or specify alternative requirements for subsection (c)
7 or (bb) of section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f (c), 1437f(bb))
8 upon a finding that the waiver or alternative requirement is necessary to facilitate the use of
9 amounts made available under this section.

10 (e) Implementation.—The Secretary shall have authority to issue such regulations, notices, or
11 other guidance, forms, instructions, and publications to carry out the programs, projects, or
12 activities authorized under this section to ensure that such programs, projects, or activities are
13 completed in a timely and effective manner.

14 SEC. 40005. SECTION 202 SUPPORTIVE HOUSING FOR 15 THE ELDERLY PROGRAM.

16 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
17 Secretary of Housing and Urban Development (in this section referred to as the “Secretary”) for
18 fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

19 (1) \$450,000,000 for the Supportive Housing for the Elderly Program authorized under
20 section 202 of the Housing Act of 1959, and subject to subsections (a) through (g), (h)(2)
21 through (h)(5), and (i) through (m) of such section 202 (12 U.S.C. 1701q(a)-12 U.S.C.
22 1701q(g), 12 U.S.C. 1701q(h)(2)-12 U.S.C. 1701q(h)(5), 12 U.S.C. 1701q(i)-12 U.S.C.
23 1701q(m)) (in this section referred to as the “Act”), which shall be used—

24 (A) for capital advance awards in accordance with section 202(c)(1) of the Act to
25 recipients that are eligible under the Act;

26 (B) for new section 8 project-based rental assistance contracts under section 8(b) of
27 the United States Housing Act of 1937 Act (42 U.S.C. 1437f(b)), subject to subsection
28 (c) of this section, with the Secretary setting the terms of such project-based rental
29 assistance contracts, including the duration and provisions regarding rent setting and
30 rent adjustment, to support the capital advance projects funded under this section; and

31 (C) for service coordinators;

32 (2) \$7,500,000, to provide technical assistance to support State-level efforts to improve
33 the design and delivery of voluntary supportive services for residents of any housing
34 assisted under the Act and other housing supporting low-income older adults, in order to
35 support residents to age-in-place and avoid institutional care, as well as to assist applicants
36 and potential applicants with project-specific design, and the Secretary may use amounts
37 made available under this paragraph to increase prior awards to existing technical assistance
38 providers to provide an immediate increase in capacity building and technical assistance;
39 and

40 (3) \$42,500,000 for the costs to the Secretary of administering and overseeing the
41 implementation of this section and the Supportive Housing for the Elderly program

1 generally, including information technology, financial reporting, research and evaluation,
2 other cross-program costs in support of programs administered by the Secretary in this title,
3 and other costs.

4 Amounts appropriated by this section shall remain available until September 30, 2031.

5 (b) Limitation on Costs.—When awarding grants under paragraph (1) of subsection (a), the
6 Secretary shall establish and assess reasonable development cost limitations by market area for
7 various types and sizes of supportive housing for the elderly. The Secretary shall not count
8 owner or sponsor contributions of other funding or assistance against the overall cost of a
9 project.

10 (c) Waivers.—The Secretary may waive or specify alternative requirements for any provision
11 of subsection (c) or (bb) of section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f
12 (c), 1437f(bb)) upon a finding that the waiver or alternative requirement is necessary to facilitate
13 the use of amounts made available under this section.

14 (d) Implementation.—The Secretary shall have authority to issue such regulations, notices, or
15 other guidance, forms, instructions, and publications to carry out the programs, projects, or
16 activities authorized under this section to ensure that such programs, projects, or activities are
17 completed in a timely and effective manner.

18 SEC. 40006. IMPROVING ENERGY EFFICIENCY OR 19 WATER EFFICIENCY OR CLIMATE RESILIENCE OF 20 AFFORDABLE HOUSING.

21 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
22 Secretary of Housing and Urban Development (in this section referred to as the “Secretary”) for
23 fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

24 (1) \$1,770,000,000, to remain available until September 30, 2028, for the cost of
25 providing direct loans, including the costs of modifying such loans, and for grants, as
26 provided for and subject to terms and conditions in subsection (b), including to subsidize
27 gross obligations for the principal amount of direct loans, not to exceed \$4,000,000,000, to
28 fund projects that improve the energy or water efficiency, indoor air quality and
29 sustainability improvements, implement low-emission technologies, materials, or processes,
30 including zero-emission electricity generation, energy storage, or building electrification,
31 electric car charging station installations, or address climate resilience of multifamily
32 properties;

33 (2) \$25,000,000, to remain available until September 30, 2030, for the costs to the
34 Secretary of administering and overseeing the implementation of this section, including
35 information technology, financial reporting, research and evaluation, other cross-program
36 costs in support of programs administered by the Secretary in this title, and other costs;

37 (3) \$120,000,000, to remain available until September 30, 2029, for expenses of contracts
38 administered by the Secretary, including to carry out property climate risk, energy, or water
39 assessments, due diligence, and underwriting functions for such grant and direct loan
40 program; and

41 (4) \$85,000,000, to remain available until September 30, 2028, for energy and water

1 benchmarking of properties eligible to receive grants or loans under this section, regardless
2 of whether they actually received such grants, along with associated data analysis and
3 evaluation at the property and portfolio level, including the development of information
4 technology systems necessary for the collection, evaluation, and analysis of such data.

5 (b) Loan and Grant Terms and Conditions.—Amounts made available under this section shall
6 be for direct loans, grants, and direct loans that can be converted to grants to eligible recipients
7 that agree to an extended period of affordability for the property.

8 (c) Definitions.—As used in this section—

9 (1) the term “eligible recipient” means any owner or sponsor of an eligible property; and

10 (2) the term “eligible property” means a property ~~receiving receiving~~—

11 ~~(A)~~ project-based assistance pursuant ~~to to~~—

12 (A) section 202 of the Housing Act of 1959 (12 U.S.C. 1701q);

13 (B) section 811 of the Cranston-Gonzalez National Affordable Housing Act (42
14 U.S.C. 8013); or

15 (C) section 8(b) of the United States Housing Act of 1937 (42 U.S.C. 1437f(b))

16 (d) Waiver.—The Secretary may waive or specify alternative requirements for any provision
17 of subsection (c) or (bb) of section 8 of the United States Housing Act of 1937 (42 U.S.C.
18 1437f(c), 1437f(bb)) upon a finding that the waiver or alternative requirement is necessary to
19 facilitate the use of amounts made available under this section.

20 (e) Implementation.—The Secretary shall have authority to issue such regulations, notices, or
21 other guidance, forms, instructions, and publications to carry out the programs, projects, or
22 activities authorized under this section to ensure that such programs, projects, or activities are
23 completed in a timely and effective manner.

24 SEC. 40007. REVITALIZATION OF DISTRESSED 25 MULTIFAMILY PROPERTIES.

26 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
27 Secretary of Housing and Urban Development (in this section referred to as the “Secretary”) for
28 fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

29 (1) ~~\$1,450,000,000~~ **\$1,550,000,000** for providing direct loans, which may be forgivable,
30 to owners of distressed properties for the purpose of making necessary physical
31 improvements, including to subsidize gross obligations for the principal amount of direct
32 loans not to exceed \$6,000,000,000, subject to the terms and conditions in subsection (b);
33 and

34 (2) \$50,000,000 for the costs to the Secretary of administering and overseeing the
35 implementation of this section and the Office of Housing programs generally, including
36 information technology, financial reporting, research and evaluations, other cross-program
37 costs in support of programs administered by the Secretary in this title, and other costs.

38 Amounts appropriated by this section shall remain available until September 30, 2029.

39 (b) Loan Terms and Conditions.—

1 (1) ELIGIBILITY.—Owners or sponsors of multifamily housing projects who meet each of
2 the following requirements shall be eligible for loan assistance under this section:

3 (A) The multifamily housing project, including any project from which assistance
4 has been approved to be transferred has deficiencies that cause the project to be at risk
5 of physical obsolescence or economic non-viability.

6 (B) The actual rents received by the owner or sponsor of the distressed property
7 would not adequately sustain the debt needed to make necessary physical
8 improvements.

9 (C) The owner or sponsor meets any such additional eligibility criteria as the
10 Secretary determines to be appropriate, considering factors that contributed to the
11 project's deficiencies.

12 (2) USE OF LOAN FUNDS.—Each recipient of loan assistance under this section may only
13 use such loan assistance to make necessary physical improvements.

14 (3) LOAN AVAILABILITY.—The Secretary shall only provide loan assistance to an owner
15 or sponsor of a multifamily housing project when such assistance, considered with other
16 financial resources available to the owner or sponsor, is needed to make the necessary
17 physical improvements.

18 (4) INTEREST RATES AND LENGTH.—Loans provided under this section shall bear interest
19 at 1 percent, and at origination shall have a repayment period coterminous with the
20 affordability period established under paragraph (6), with the frequency and amount of
21 repayments to be determined by requirements established by the Secretary.

22 (5) LOAN MODIFICATIONS OR FORGIVENESS.—With respect to loans provided under this
23 section, the Secretary may take any of the following actions if the Secretary determines that
24 doing so will preserve affordability of the project:

25 (A) Waive any due on sale or due on refinancing restriction.

26 (B) Consent to the terms of new debt to which the loans may be subordinate, even if
27 such new debt would impact the repayment of the loans.

28 (C) Extend the term of the loan.

29 (D) Forgive the loan in whole or in part.

30 (6) EXTENDED AFFORDABILITY PERIOD.—Each recipient of loan assistance under this
31 section shall agree to an extended affordability period for the project that is subject to the
32 loan by extending any existing affordable housing use agreements for an additional 30 years
33 or, if the project is not currently subject to a use agreement establishing affordability
34 requirements, by establishing a use agreement for 30 years.

35 (7) MATCHING CONTRIBUTION.—Each recipient of loan assistance under this section shall
36 secure at least 20 percent of the total cost needed to make the necessary physical
37 improvements from non-Federal sources, except in cases where the Secretary determines
38 that a lack of financial resources qualifies a loan recipient for—

39 (A) a reduced contribution below 20 percent; or

40 (B) an exemption to the matching contribution requirement.

1 (8) ADDITIONAL LOAN CONDITIONS.—The Secretary may establish additional conditions
2 for loan eligibility provided under this section as the Secretary determines to be appropriate.

3 (9) PROPERTIES INSURED BY THE SECRETARY.—In the case of any property with respect to
4 which assistance is provided under this section that has a mortgage insured by the Secretary,
5 the Secretary may use funds available under this section as necessary to pay for the costs of
6 modifying such loan.

7 (c) Definitions.—As used in this section—

8 (1) the term “multifamily housing project” means a project consisting of five or more
9 dwelling units assisted or approved to receive a transfer of assistance, insured, or with a
10 loan held by the Secretary or a State or State agency in part or in whole pursuant to—

11 (A) section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), not
12 including subsection (o)(13) of such section;

13 (B) section 202 of the Housing Act of 1959 (12 U.S.C. 1701q), as amended by
14 section 801 of the Cranston-Gonzalez National Affordable Housing Act;

15 (C) section 202 of the Housing Act of 1959 (former 12 U.S.C. 1701q), as such
16 section existed before the enactment of the Cranston-Gonzalez National Affordable
17 Housing Act;

18 (D) section 811 of the Cranston-Gonzalez National Affordable Housing Act (42
19 U.S.C. 8013); or

20 (E) section 236 of the National Housing Act (12 U.S.C. 1715z-1); and

21 (2) the term “necessary physical improvements” means new construction or capital
22 improvements to an existing multifamily housing project that the Secretary determines are
23 necessary to address the deficiencies or that rise to such a level that delaying physical
24 improvements to the project would be detrimental to the longevity of the project as suitable
25 housing for occupancy.

26 (d) Waiver.—The Secretary may waive or specify alternative requirements for any provision
27 of subsection (c) or (bb) of section 8 of the United States Housing Act of 1937 (42 U.S.C.
28 1437f(c), 1437f(bb)) upon a finding that the waiver or alternative requirement is necessary to
29 facilitate the use of amounts made available under this section.

30 (e) Implementation.—The Secretary shall have the authority to issue such regulations, notices,
31 or other guidance, forms, instructions, and publications to carry out the programs, projects, or
32 activities authorized under this section to ensure that such programs, projects, or activities are
33 completed in a timely and effective manner.

34 SEC. 40008. INVESTMENTS IN RURAL RENTAL 35 HOUSING.

36 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
37 Rural Housing Service of the Department of Agriculture for fiscal year 2022, out of any money
38 in the Treasury not otherwise appropriated—

39 (1) \$1,800,000,000, to remain available until September 30, 2029, for ~~carrying out the~~

1 **Administrator of the Rural Housing Service for making loans and grants for** new
2 construction, improvements to energy and water efficiency or climate resilience, the
3 removal of health and safety hazards, and the preservation and revitalization of housing
4 ~~authorized for other purposes described~~ under section 514 of the Housing Act of 1949 (42
5 U.S.C. 1484), subsections (a)(1) through (a)(2), (b)(1) through (b)(3), (b)(5) through
6 (aa)(2)(A), and (aa)(4) of section 515 of such Act (42 U.S.C. 1485(a)(1)-42 U.S.C.
7 1485(a)(2), 42 U.S.C. 1485(b)(1)-(b)(3), 42 U.S.C. 1485(b)(5)-42 U.S.C. 1485(aa)(2)(A),
8 42 U.S.C. 1485(aa)(4)), and 516 of such act (42 U.S.C. 1486), subject to the terms and
9 conditions in subsection (b);

10 (2) \$100,000,000, to remain available until September 30, 2029, to provide continued
11 assistance pursuant to section 3203 of the American Rescue Plan Act of 2021; and

12 (3) \$100,000,000, to remain available until September 30, 2030, for the costs to the Rural
13 Housing Service of the Department of Agriculture of administering and overseeing the
14 implementation of this section, including information technology, financial reporting,
15 research and evaluations, other cross-program costs in support of programs administered by
16 the Secretary in this title, and other costs.

17 (b) Preservation and Revitalization Terms and Conditions.—

18 (1) LOANS AND GRANTS AND OTHER ASSISTANCE.—The Administrator of the Rural
19 Housing Service of the Department of Agriculture shall provide direct loans and grants,
20 including the cost of modifying loans, to restructure existing Department of Agriculture
21 multi-family housing loans expressly for the purposes of ensuring the project has sufficient
22 resources to preserve the project for the purpose of providing safe and affordable housing
23 for low-income residents and farm laborers, including—

24 (A) reducing or eliminating interest;

25 (B) deferring loan payments;

26 (C) subordinating, reducing, or re-amortizing loan debt; and

27 (D) providing other financial assistance, including advances, payments, and
28 incentives (including the ability of owners to obtain reasonable returns on investment)
29 required by the Secretary, including such assistance to non-profit entities and public
30 housing authorities.

31 (2) RESTRICTIVE USE AGREEMENT.—The Administrator of the Rural Housing Service of
32 the Department of Agriculture shall as part of the preservation and revitalization agreement
33 obtain a restrictive use agreement consistent with the terms of the restructuring.

34 (c) Implementation.—The Administrator of the Rural Housing Service of the Department of
35 Agriculture shall have authority to issue such regulations, notices, or other guidance, forms,
36 instructions, and publications to carry out the programs, projects, or activities authorized under
37 this section to ensure that such programs, projects, or activities are completed in a timely and
38 effective manner.

39 **SEC. 40009. HOUSING VOUCHERS.**

40 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
41 Secretary of Housing and Urban Development (in this section referred to as the “Secretary”) for

1 fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

2 (1) \$15,000,000,000, **to remain available until September 30, 2029**, for—

3 (A) incremental tenant-based rental assistance for extremely low-income families
4 under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o));

5 (B) renewals of such tenant-based rental assistance; and

6 (C) fees for the costs of administering tenant-based rental assistance and other
7 ~~eligible expenses~~ **expenses related to the utilization of voucher assistance under**
8 **subparagraph (A)**, which may include the cost of facilitating the use of voucher
9 assistance provided under paragraph (5);

10 (2) \$7,100,000,000, **to remain available until September 30, 2029**, for—

11 (A) incremental tenant-based rental assistance under section 8(o) of the United
12 States Housing Act of 1937 (42 U.S.C. 1437f(o)) for households experiencing or at
13 risk of homelessness, survivors of domestic violence, dating violence, sexual assault,
14 and stalking, and survivors of trafficking;

15 (B) renewals of such tenant-based rental assistance; and

16 (C) fees for the costs of administering tenant-based rental assistance and other
17 ~~eligible expenses~~ **expenses related to the utilization of voucher assistance under**
18 **subparagraph (A)**, which may include the cost of facilitating the use of voucher
19 assistance provided under paragraph (5);

20 (3) \$1,000,000,000, **to remain available until September 30, 2031**, for—

21 (A) tenant protection vouchers for relocation and replacement of public housing
22 units demolished or disposed as part of a public housing preservation or project-based
23 replacement transaction using funds made available under this title;

24 (B) renewals of such tenant-based rental assistance; and

25 (C) fees for the costs of administering tenant-based rental assistance and other
26 ~~eligible expenses~~ **expenses related to the utilization of voucher assistance under**
27 **subparagraph (A)**, which may include the cost of facilitating the use of voucher
28 assistance provided under paragraph (5);

29 (4) \$300,000,000, **to remain available until September 30, 2031**, for competitive
30 grants, subject to terms and conditions determined by the Secretary, to public housing
31 agencies for mobility-related services for voucher families, including families with children,
32 and service coordination;

33 (5) \$230,000,000, **to remain available until September 30, 2031**, for eligible expenses
34 to facilitate the use of voucher assistance under this section and for other voucher assistance
35 under section 8(o) of the United States Housing Act of 1937, as determined by the
36 Secretary, in addition to amounts otherwise available for such expenses, including property
37 owner outreach and retention activities such as incentive payments, security deposit
38 payments and loss reserves, landlord liaisons, and other uses of funds designed primarily—

39 (A) to recruit owners of dwelling units, particularly dwelling units in census tracts
40 with a poverty rate of less than 20 percent, to enter into housing assistance payment

1 contracts; and

2 (B) to encourage owners that enter into housing assistance payment contracts as
3 described in subparagraph (A) to continue to lease their dwelling units to tenants
4 assisted under section 8(o) of the United States Housing Act of 1937;

5 (6) \$300,000,000, **to remain available until September 30, 2031**, for the costs to the
6 Secretary of administering and overseeing the implementation of this section and the
7 Housing Choice Voucher program generally, including information technology, financial
8 reporting, research and evaluations, other cross-program costs in support of programs
9 administered by the Secretary in this title, and other costs; and

10 (7) \$70,000,000, **to remain available until September 30, 2031**, for making new awards
11 or increasing prior awards to existing technical assistance providers to provide an increase
12 in capacity building and technical assistance available to public housing agencies.

13
14 ~~* 1 Amounts appropriated by this section shall remain available until September 30, 2031.~~

15 (b) Terms and Conditions.—

16 (1) ALLOCATION.—The Secretary shall allocate initial incremental assistance provided
17 for rental assistance under subsection (a)(1) and (2) in each fiscal year commencing in 2022
18 and ending in 2026 in accordance with a formula or formulas that include measures of
19 severe housing need among extremely low-income renters and public housing agency
20 capacity, and ensures geographic diversity among public housing agencies administering
21 the Housing Choice Voucher program.

22 (2) ELECTION TO ADMINISTER.—The Secretary shall establish a procedure for public
23 housing agencies to accept or decline the incremental vouchers made available under this
24 section.

25 (3) FAILURE TO USE VOUCHERS PROMPTLY.—If a public housing agency fails to lease the
26 authorized vouchers it has received under this subsection on behalf of eligible families
27 within a reasonable period of time, the Secretary may offset the agency's voucher renewal
28 allocations and may revoke and redistribute any unleased vouchers and associated funds,
29 which may include administrative fees and amounts allocated under subsections (a)(3) and
30 (a)(4), to other public housing agencies.

31 (4) LIMITATION OF USE OF FUNDS.— Public housing agencies may use funds received
32 under this section only for the activities listed in subsection (a) for which the funds were
33 provided to such agency.

34 (5) CAP ON PROJECT-BASED VOUCHERS FOR VULNERABLE POPULATIONS.—Upon request
35 by a public housing agency, the Secretary may designate a number of the public housing
36 agency's vouchers allocated under this section as excepted units that do not count against
37 the percentage limitation on the number of authorized units a public housing agency may
38 project-base under section 8(o)(13)(B) of the United States Housing Act of 1937, in
39 accordance with the conditions established by the Secretary. This paragraph may not be
40 construed to waive, limit, or specify alternative requirements, or permit such waivers,
41 limitations, or alternative requirements, related to fair housing and nondiscrimination,
42 including the requirement to provide housing and services to individuals with disabilities in

1 integrated settings.

2 (6) HOMELESS WAIVER AUTHORITY.— In administering the voucher assistance targeted
3 for households experiencing or at risk of homelessness, survivors of domestic violence,
4 dating violence sexual assault, and stalking, and survivors of trafficking under subsection
5 ~~(a)(1)~~(a)(2), the Secretary may, upon a finding that a waiver or alternative requirement is
6 necessary to facilitate the use of such assistance, waive or specify alternative requirements
7 for—

8 (A) section 8(o)(6)(A) of the United States Housing Act of 1937 (42 U.S.C.
9 1437f(o)(6)(A)) and regulatory provisions related to the administration of waiting lists
10 and local preferences;

11 (B) section 214(d)(2) of the Housing and Community Development Act of 1980 (42
12 U.S.C. 1436a(d)(2)), section 576(a), (b), and (c) of the Quality Housing and Work
13 Responsibility Act of 1998 (42 U.S.C. 13661(a), (b),and (c)), and regulatory provisions
14 related to the verification of eligibility, eligibility requirements, and the admissions
15 process;

16 (C) section 8(o)((7)(A) of the United States Housing Act of 1937 (42 U.S.C.
17 1437f(o)(7)(A)) and regulatory provisions related to the initial lease term;

18 (D) section 8(r)(B)(i) of the United States Housing Act of 1937 (42 U.S.C.
19 1437f(r)(B)(i)) and regulatory provisions related to portability moves by non-resident
20 applicants; and

21 (E) regulatory provisions related to the establishment of payment standards.

22 (c) Implementation.—The Secretary shall have authority to issue such regulations, notices, or
23 other guidance, forms, instructions, and publications to carry out the programs, projects, or
24 activities authorized under this section to ensure that such programs, projects, or activities are
25 completed in a timely and effective manner.

26 SEC. 40010. PROJECT-BASED RENTAL ASSISTANCE.

27 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
28 Secretary of Housing and Urban Development (in this section referred to as the “Secretary”) for
29 fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

30 (1) \$880,000,000 for the project-based rental assistance program, as authorized under
31 section 8(b) of the United States Housing Act of 1937 (42 U.S.C. 1437f(b)), (in this section
32 referred to as the “Act”), subject to the terms and conditions of subsection (b) of this
33 section;

34 (2) \$20,000,000 for providing technical assistance to recipients of or applicants for
35 project-based rental assistance or to States allocating the project-based rental assistance; and

36 (3) \$100,000,000 for the costs to the Secretary of administering and overseeing the
37 implementation of this section and the section 8 project-based rental assistance program
38 generally, including information technology, financial reporting, research and evaluations,
39 other cross-program costs in support of programs administered by the Secretary in this title,
40 and other costs.

1 Amounts appropriated by this section shall remain available until September 30, 2031.

2 (b) Terms and Conditions.—

3 (1) AUTHORITY.—Notwithstanding section 8(a) the Act (42 U.S.C. 1437f(a)), the
4 Secretary may use amounts made available under this section to provide assistance
5 payments with respect to newly constructed housing, existing housing, or substantially
6 rehabilitated non-housing structures for use as new multifamily housing in accordance with
7 this section and the provisions of section 8 of the Act. In addition, the Secretary may use
8 amounts made available under this section for performance-based contract administrators
9 for section 8 project-based assistance, for carrying out this section and section 8 of the Act.

10 (2) PROJECT-BASED RENTAL ASSISTANCE.—The Secretary may make assistance payments
11 using amounts made available under this section pursuant to contracts with owners or
12 prospective owners who agree to construct housing, to substantially rehabilitate existing
13 housing, to substantially rehabilitate non-housing structures for use as new multifamily
14 housing, or to attach the assistance to newly constructed housing in which some or all of the
15 units shall be available for occupancy by very low-income families in accordance with the
16 provisions of section 8 of the Act. In awarding contracts pursuant to this section, the
17 Secretary shall give priority to owners or prospective owners of multifamily housing
18 projects located or to be located in areas of high opportunity, as defined by the Secretary, in
19 areas experiencing economic growth or rising housing prices to prevent displacement or
20 secure affordable housing for low-income households, or that serve people at risk of
21 homelessness or that integrate additional units that are accessible for persons with mobility
22 impairments and persons with hearing or visual impairments beyond those required by
23 applicable Federal accessibility standards.

24 (3) ALLOCATION.—The Secretary shall make awards with amounts made available under
25 this section using the following mechanisms, alone or in combination:

26 (A) A competitive process, which the Secretary may carry out in multiple rounds of
27 competition, each of which may have its own selection, performance, and reporting
28 criteria as established by the Secretary.

29 (B) Selecting proposals submitted through FHA loan applications that meet
30 specified criteria.

31 (C) Delegating to States the awarding of contracts, including related determinations
32 such as the maximum monthly rent, subject to the requirements of section 8 of the Act,
33 as determined by the Secretary.

34 (4) CONTRACT TERM, RENT SETTING, AND RENT ADJUSTMENTS.—The Secretary may set
35 the terms of the contract, including the duration and provisions regarding rent setting and
36 rent adjustments.

37 (c) Waivers.—The Secretary may waive or specify alternative requirements for any provision
38 of subsection (c) or (bb) of section 8 of the United States Housing Act of 1937 (42 U.S.C.
39 1437f(c), 1437f(bb)) upon a finding that the waiver or alternative requirement is necessary to
40 facilitate the use of amounts made available under this section.

41 (d) Implementation.—The Secretary shall have the authority to issue such regulations, notices,
42 or other guidance, forms, instructions, and publications to carry out the programs, projects, or

1 activities authorized under this section to ensure that such programs, projects, or activities are
2 completed in a timely and effective manner.

3 SEC. 40011. INVESTMENTS IN NATIVE AMERICAN 4 COMMUNITIES.

5 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
6 Secretary of Housing and Urban Development (in this section referred to as the “Secretary”) for
7 fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

8 (1) ~~\$277,500,000 for grants authorized under of section 101(a)~~ **formula grants for**
9 **eligible affordable housing activities described in section 202** of the Native American
10 Housing Assistance and Self-Determination Act of 1996 (in this section referred to as
11 “NAHASDA”) (25 U.S.C. 4111(a)), ~~and the Secretary shall distribute such amount 4132),~~
12 **which shall be distributed** according to the ~~same~~ **most recent fiscal year** funding formula
13 ~~used in fiscal year 2021; for the Indian Housing Block Grant;~~

14 (2) \$200,000,000 ~~for grants for—~~

15 (A) **affordable housing activities** authorized under section ~~802(a)~~ **810(a)** of
16 NAHASDA (25 U.S.C. ~~4222(a)~~; **4229**);

17 (3) ~~\$277,500,000 for competitive grants to eligible recipients authorized under~~
18 ~~section 101(a)~~ **(B) community-wide infrastructure and infrastructure improvement**
19 **projects carried out on Hawaiian Home Lands pursuant to section 810(b)(5)** of
20 NAHASDA (25 U.S.C. 4111(a)), ~~which may be used for—~~ **4229(b)(5)**; and

21 (A) ~~new construction and rehabilitation of affordable housing;~~ **(C) rental assistance**
22 **to Native Hawaiians (as defined in section 801 of NAHASDA (25 U.S.C. 4221)) on**
23 **and off Hawaiian Home Lands;**

24 (B) ~~improving water or energy efficiency or increasing resilience to natural hazards for~~
25 ~~housing assisted by amounts made available under this subsection; or~~

26 (C) ~~other~~ **(3) \$277,500,000 for competitive grants for eligible affordable housing**
27 **activities under described in section 202 of NAHASDA (25 U.S.C. 4132);**

28 (4) \$200,000,000 ~~for—~~

29 (A) competitive single-purpose Indian community development block grants for
30 Indian tribes ~~under section 106(a)(1) of the Housing and Community Development Act~~
31 ~~of 1974 (42 U.S.C. 5306(a)(1)); and~~

32 (B) imminent threat Indian community development block grants ~~under section~~
33 ~~106(a)(1) of the Housing and Community Development Act of 1974 (42 U.S.C.~~
34 ~~5306(a)(1)), including for long-term environmental threats and relocation,~~ for
35 Indian tribes, or a tribal organization, governmental entity, or nonprofit organization
36 designated by the Indian tribe to apply for a grant on its behalf, ~~which may be used~~
37 ~~to—~~

38 (i) ~~address environmental threats, including long term environmental threats;~~

39 (ii) ~~assist Indian tribes with relocating a portion of or entire communities due to~~

1 changes to the local environment; or

2 (iii) assist Indian tribes with addressing other threats to health and safety;

3 (5) \$25,000,000 for the costs to the Secretary of administering and overseeing the
4 implementation of this section and ~~Native American~~ **Indian** and Native Hawaiian programs
5 **generally administered by the Secretary**, including information technology, financial
6 reporting, research and evaluations, other cross-program costs in support of programs
7 administered by the Secretary in this title, and other costs; and

8 (6) \$20,000,000 to make new awards or increase prior awards to ~~existing~~ technical
9 assistance providers to provide an immediate increase in capacity building and technical
10 assistance to grantees.

11 Amounts appropriated by this section shall remain available until September 30, 2031.

12 (b) ~~Preliminary Funding.~~—

13 (1) ~~Use of imminent threat grant amounts.~~—Of any amounts made available in subsection
14 (a)(4)(B), and in consultation with the Department of the Interior, the Secretary may award
15 preliminary grants of up to \$2,000,000 each to applicants that have applied for a grant under
16 subsection (a)(4)(B) before making a final determination as to whether to award a grant under
17 subsection (a)(4)(B) to such applicant.

18 (2) ~~Need and capacity.~~—Prior to awarding a preliminary grant under this subsection, the
19 Secretary must determine, based on a preliminary assessment of need and administrative
20 capacity, that the applicant is likely able to carry out the grant successfully but would need
21 additional administrative and planning resources to develop a comprehensive implementation
22 plan and additional administrative capacity in order to successfully administer a grant under
23 subsection (a)(4)(B).

24 (3) ~~Inapplicability.~~—Such preliminary grants are not subject to administrative and planning
25 caps.

26 (e) Reallocation.—Amounts made available under subsection (a)(1) that are not accepted
27 within a time specified by the Secretary, are voluntarily returned, or are otherwise recaptured for
28 any reason ~~may~~ **shall** be used to fund grants under paragraph (3) or (4) of subsection (a).

29 (d)(c) Undisbursed Funds.—Amounts provided under this Act that remain undisbursed may
30 not be used as a basis to reduce any grant allocation under section 302 of NAHASDA (25 U.S.C.
31 4152) to an Indian tribe in any fiscal year.

32 (e)(d) Prohibition on Investments.—Amounts made available under this section may not be
33 invested in investment securities and other obligations.

34 (f)(e) Waivers.—With respect to amounts made available under this section, the Secretary
35 may, upon a finding that a waiver or alternative requirement is necessary to facilitate the use of
36 such amounts, waive or specify alternative requirements ~~for~~— **for any Indian housing block**
37 **grants, Native Hawaiian housing block grants, or Indian community development block**
38 **grants issued pursuant to this section, other than requirements related to fair housing,**
39 **nondiscrimination, labor standards, and the environment.**

40 (1) ~~sections 101(b), 102, and 103 of NAHASDA (25 U.S.C. 4111(b), 4112, 4113) and~~
41 ~~regulatory provisions related to the submission and review of Indian Housing Plans;~~

1 ~~(2) regulatory provisions related to exceeding the maximum caps on total development costs;~~
2 ~~and~~

3 ~~(3) with respect to amounts made available under subsection (a)(4)—~~

4 ~~(A) regulatory provisions related to the application process and funding criteria necessary to~~
5 ~~facilitate the use of such amounts; and~~

6 ~~(B) section 105(a) of the Housing and Community Development Act of 1974 (42 U.S.C.~~
7 ~~5305(a)) and regulatory provisions related to new housing construction and the purchase of~~
8 ~~equipment.~~

9 ~~(g)(f)~~ Implementation.—The Secretary shall have authority to issue such regulations, notices,
10 or other guidance, forms, instructions, and publications to carry out the programs, projects, or
11 activities authorized under this section to ensure that such programs, projects, or activities are
12 completed in a timely and effective manner.

13 **SEC. 40012. INCREASED AFFORDABLE HOUSING** 14 **PROGRAM INVESTMENT.**

15 **Notwithstanding subsection (j)(5)(C) of section 10 of the Federal Home Loan Bank Act**
16 **(12 U.S.C. 1430), in 2022 and every year thereafter until 2027, each Federal Home Loan**
17 **Bank shall annually contribute 15 percent of the preceding year’s net income of the Federal**
18 **Home Bank, or such prorated sums as may be required to assure that the aggregate**
19 **contribution of the Federal Home Loan Banks shall not be less than \$100,000,000 for each**
20 **such year, to support grants or subsidized advances through the Affordable Housing**
21 **Programs established and carried out under subparagraphs (j)(1), (2), (3)(A), (3)(C), and**
22 **(4) through (13) of section 10 of such Act.**

23 **Subtitle B—21st Century Sustainable and Equitable** 24 **Communities**

25 **SEC. 40101. COMMUNITY DEVELOPMENT BLOCK** 26 **GRANT FUNDING FOR AFFORDABLE HOUSING AND** 27 **INFRASTRUCTURE.**

28 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
29 Secretary of Housing and Urban Development (in this section referred to as the “Secretary”) for
30 fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

31 (1) ~~\$1,685,000,000~~ **\$1,735,000,000** for grants ~~under~~ **in accordance with** sections 101,
32 102, 103, 104(a) through 104(i), 104(l), 104(m), 105(a) through 105(g), 106(a)(2),
33 106(a)(4), 106(b) through 106(f), 109, 110, 111, 113, 115, 116, 120, and 122 of the Housing
34 and Community Development Act of 1974 (42 U.S.C. 5301, 5302, 5303, 5304(a)-(i),
35 5304(l), 5304(m), 5305(a)-(g), 5306(a)(2), 5306(a)(4), 5306(b)-(f), 5309, 5310, 5311, 5313,
36 5314, 5315, 5316, 5319, and 5321) to grantees under subsections (a)(2) and (4) **and (d)** of
37 section 106 of such Act (42 U.S.C. 5306(a)(2), ~~(4)(a)(4)~~, **and (d)**), subject to subsection (b)
38 of this section, except that for purposes of amounts made available by this paragraph,
39 paragraph (2) of such section 106(a) shall be applied by substituting “\$70,000,000” for

1 “\$7,000,000”;

2 (2) \$700,000,000 for grants ~~under~~ **in accordance with** sections 101, 102, 103, 104(a)
3 through 104(i), 104(l), 104(m), 105(a) through 105(g), 106(a)(2), 106(a)(4), 106(b) through
4 106(f), 109, 110, 111, 113, 115, 116, 120, and 122 of title I of the Housing and Community
5 Development Act of 1974 (42 U.S.C. 5301, 5302, 5303, 5304(a)-(i), 5304(l), 5304(m),
6 5305(a)-(g), 5306(a)(2), 5306(a)(4), 5306(b)-(f), 5309, 5310, 5311, 5313, 5314, 5315, 5316,
7 5319, and 5321) ~~for assistance under the community development block grant program~~
8 ~~under title I of the Housing and Community Development Act of 1974~~ to community
9 development block grant grantees, as determined by the Secretary, under subsections
10 ~~(a)(2), (a)(4); and (b) through (f) of section 106 of such Act (5306(a)(2),~~
11 ~~5306(a)(4),~~ **(5306(a)(4)** and 5306(b)-(f)), only for colonias, to address the community and
12 housing infrastructure needs of existing colonia residents based on a formula that takes into
13 account persons in poverty in the colonia areas, except that grantees may use funds in
14 colonias outside of the 150-mile border area upon approval of the Secretary;

15 (3) \$500,000,000 for grants ~~under~~ **in accordance with** sections 101, 102, 103, 104(a)
16 through 104(i), 104(l), 104(m), 105(a) through 105(g), 106(a)(2), 106(a)(4), 106(b) through
17 106(f), 109, 110, 111, 113, 115, 116, 120, and 122 of title I of the Housing and Community
18 Development Act of 1974 (42 U.S.C. 5301, 5302, 5303, 5304(a)-(i), 5304(l), 5304(m),
19 5305(a)-(g), 5306(a)(2), 5306(a)(4), 5306(b)-(f), 5309, 5310, 5311, 5313, 5314, 5315, 5316,
20 5319, and 5321), to eligible recipients under subsection (c) of this section for manufactured
21 housing infrastructure improvements in eligible manufactured home communities;

22 (4) \$87,500,000 for the costs to the Secretary of administering and overseeing the
23 implementation of this section, the Community Development Block Grant program, and the
24 manufactured home construction and safety standards program generally, including
25 information technology, financial reporting, research and evaluations, other cross-program
26 costs in support of programs administered by the Secretary in this title, and other costs; and

27 (5) \$27,500,000 for providing technical assistance to recipients of or applicants for grants
28 under this section.

29 Amounts appropriated by this section shall remain available until September 30, 2031.

30 (b) Housing Construction.—Expenditures on new construction of housing shall be an eligible
31 expense for a recipient of funds made available under this section that is not a recipient of funds
32 under section 40002 of this title.

33 (c) Manufactured Housing Community Improvement Grant Program.—

34 (1) ESTABLISHMENT.—The Secretary of Housing and Urban Development shall carry out
35 a competitive grant program to award funds appropriated under subsection (a)(3) to eligible
36 recipients to carry out eligible projects for improvements in eligible manufactured home
37 communities.

38 (2) ELIGIBLE PROJECTS.—Amounts from grants under this subsection shall be used to
39 assist in carrying out a project for construction, reconstruction, repair, or clearance of
40 housing, facilities and improvements in or serving a manufactured housing community that
41 is necessary to protect the health and safety of the residents of the manufactured housing
42 community and the long-term sustainability of the community.

1 (d) Waivers.—The Secretary may waive or specify alternative requirements for any provision
2 of **title I of the Housing and Community Development Act of 1974 specified in** subsection
3 (a)(1), (a)(2), or (a)(3), or regulation that the Secretary administers in connection with use of
4 amounts made available under this section other than requirements related to fair housing,
5 nondiscrimination, labor standards, and the environment, upon a finding that the waiver or
6 alternative requirement is not inconsistent with the overall purposes of such Act and that the
7 waiver or alternative requirement is necessary to facilitate the use of amounts made available
8 under this section.

9 (e) Definitions.—For purposes of this section, the following definitions shall apply:

10 (1) COLONIA AREA.—The term “colonia area” means any census tract that—

11 (A) is an area of the United States within 150 miles of the contiguous border
12 between the United States and Mexico, except as otherwise determined by the
13 Secretary; and

14 (B) lacks potable water supply, adequate sewage systems, or decent, safe, sanitary
15 housing, or other objective criteria as approved by the Secretary.

16 (2) ELIGIBLE MANUFACTURED HOME COMMUNITY.—The term “eligible manufactured
17 home community” means a community that—

18 (A) is affordable to low- and moderate-income persons (as such term is defined in
19 section 102(a) of the Housing and Community Development Act of 1974 (42 U.S.C.
20 5302(a)); and

21 (B)(i) is owned by the residents of the manufactured housing community through a
22 resident-controlled entity, as defined by the Secretary, in which at least two-thirds of
23 residents are member-owners of the land-owning entity; or

24 (ii) will be maintained as such a community, and remain affordable for low- and
25 moderate-income families, to the maximum extent practicable and for the longest
26 period feasible.

27 (3) ELIGIBLE RECIPIENT.—The term “eligible recipient” means a partnership of—

28 (A) a grantee under paragraph (2) or (4) of section 106(a) **or section 106(d)** of the
29 Housing and Community Development Act of 1974 (42 U.S.C. 5306(a))**(2), (a)(4),**
30 **and (d))**; and

31 (B) an eligible manufactured home community, a nonprofit entity, or a consortia of
32 nonprofit entities working with an eligible manufactured home community.

33 (4) MANUFACTURED HOME COMMUNITY.—The term “manufactured home community”
34 means any community, court, or park equipped to accommodate manufactured homes for
35 which pad sites, with or without existing manufactured homes or other allowed homes, or
36 other suitable sites, are used primarily for residential purposes, with any additional
37 requirements as determined by the Secretary, including any manufactured housing
38 community as such term is used for purposes of the program of the Federal National
39 Mortgage Association for multifamily loans for manufactured housing communities and the
40 program of the Federal Home Loan Mortgage Corporation for loans for manufactured
41 housing communities.

1 (f) Implementation.—The Secretary shall have authority to issue such regulations, notices, or
2 other guidance, forms, instructions, and publications to carry out the programs, projects, or
3 activities authorized under this section to ensure that such programs, projects, or activities are
4 completed in a timely and effective manner.

5 **SEC. 40102. LEAD-BASED PAINT HAZARD CONTROL**
6 **AND HOUSING-RELATED HEALTH AND SAFETY**
7 **HAZARD MITIGATION IN HOUSING OF FAMILIES WITH**
8 **LOWER INCOMES.**

9 (a) Appropriation.—In addition to amounts otherwise made available, there is appropriated to
10 the Secretary of Housing and Urban Development (in this section referred to as the “Secretary”)
11 for fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

12 (1) \$3,425,000,000 for grants to States, units of general local government, Indian tribes or
13 their tribally designated housing entities, and nonprofit organizations for the activities under
14 subsection (c) in target housing units that do not receive Federal housing assistance other
15 than assistance provided under subsection 8(o) of the United States Housing Act of 1937
16 (42 U.S.C. 1437f(o)), excluding paragraph (o)(13) of such section, and common areas
17 servicing such units, where low-income families reside or are expected to reside;

18 (2) \$250,000,000 for grants to States or units of general local government or nonprofit
19 entities for the activities in subsection (c) in target housing units, and common areas
20 servicing such units, that are being assisted under the Weatherization Assistance Program
21 authorized under part A of title IV of the Energy Conservation and Production Act (42
22 U.S.C. 6861-6872) but are not assisted under any other Federal housing program other than
23 subsection 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)), excluding
24 paragraph 8(o)(13) of such section;

25 (3) \$1,000,000,000 for grants to owners of a property receiving project-based rental
26 assistance under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f),
27 including under subsection (o)(13) of such section, that meets the definition of target
28 housing and that has not received a grant for similar purposes under this Act, for the
29 activities in subsection (c), except for abatement of lead-based paint by enclosure or
30 encapsulation, or interim controls of lead-based paint hazards in target housing units
31 receiving such assistance and common areas servicing such units;

32 (4) \$75,000,000 for costs related to training and technical assistance to support
33 identification and mitigation of lead and housing-related health and safety hazards, research,
34 and evaluation; and

35 (5) \$250,000,000 for the costs to the Secretary of administering and overseeing the
36 implementation of this section, and the Secretary’s lead hazard reduction and related
37 programs generally including information technology, financial reporting, research and
38 evaluations, other cross-program costs in support of programs administered by the Secretary
39 in this title, and other costs.

40 Amounts appropriated by this section shall remain available until September 30, 2031.

41 (b) Terms and Conditions.—

1 (1) INCOME ELIGIBILITY DETERMINATIONS.—The Secretary may make income
2 determinations of eligibility for enrollment of housing units for assistance under this section
3 that are consistent with eligibility requirements for grants awarded under other Federal
4 means-tested programs, provided such determination does not require additional action by
5 other Federal agencies.

6 (2) HOUSING FAMILIES WITH YOUNG CHILDREN.—An owner of rental property that
7 receives assistance under subsection (a)(3) shall give priority in renting units for which the
8 lead-based paint has been abated pursuant to subsection (a)(3), for not less than 3 years
9 following the completion of lead abatement activities, to families with a child under the age
10 of 6 years.

11 (3) ADMINISTRATIVE EXPENSES.—A recipient of a grant under this section may use up to
12 10 percent of the grant for administrative expenses associated with the activities funded by
13 this section.

14 (c) Eligible Activities.—Grants awarded under this section shall be used for purposes of
15 building capacity and conducting activities relating to testing, evaluating, and mitigating
16 lead-based paint, lead-based paint hazards, and housing-related health and safety hazards;
17 outreach, education, and engagement with community stakeholders, including stakeholders in
18 disadvantaged communities; program evaluation and research; grant administration, and other
19 activities that directly or indirectly support the work under this section, as applicable, that
20 without which such activities could not be conducted.

21 (d) Definitions.—For purposes of this section, the following definitions, and definitions in
22 paragraphs (1), (2), (3), (5), (6), (7), (10) through (17), and (20) through (27) of section 1004 of
23 the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851b(1)-(3), 42
24 U.S.C. 4851b(5)-(7), 42 U.S.C. 4851b(10)-(17), 42 U.S.C. 4851b(20)-(27), shall apply:

25 (1) NONPROFIT; NONPROFIT ORGANIZATION.—The terms “nonprofit” and “nonprofit
26 organization” mean a corporation, community chest, fund, or foundation not organized for
27 profit, but organized and operated exclusively for religious, charitable, scientific, testing for
28 public safety, literary, or educational purposes; or an organization not organized for profit
29 but operated exclusively for the promotion of social welfare.

30 (2) PUBLIC HOUSING; PUBLIC HOUSING AGENCY; LOW-INCOME FAMILY.—The terms
31 “public housing”, “public housing agency”, and “low-income family” have the same
32 meaning given such terms in section 3(b) of the United States Housing Act of 1937 (42
33 U.S.C. 1437a(b)).

34 (3) STATE; UNIT OF GENERAL LOCAL GOVERNMENT.—The terms “State” and “unit of
35 general local government” have the same meaning given such terms in section 102 of the
36 Housing and Community Development Act of 1974 (42 U.S.C. 5302).

37 ~~(4) Tribally designated housing entity; indian tribe.—The terms “tribally designated housing~~
38 ~~entity” and “Indian tribe” have the same meaning given such terms in section 4 of the Native-~~
39 ~~American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103).~~

40 (e) Grant Compliance.—For any grant of assistance under this section, a State or unit of
41 general local government may assume responsibilities for elements of grant compliance,
42 regardless of whether it is the grant recipient, if the State or unit of general local government is
43 permitted to assume responsibility for the applicable element of grant compliance for grants for

1 which it is the recipient under section 1011 of the Residential Lead-Based Paint Hazard
2 Reduction Act of 1992 (42 U.S.C. 4852).

3 (f) Implementation.—The Secretary shall have the authority to issue such regulations, notices,
4 or other guidance, forms, instructions, and publications to carry out the programs, projects, or
5 activities authorized under this section to ensure that such programs, projects, or activities are
6 completed in a timely and effective manner.

7 **SEC. 40103. UNLOCKING POSSIBILITIES PROGRAM.**

8 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
9 Secretary of Housing and Urban Development for fiscal year 2022, out of any money in the
10 Treasury not otherwise appropriated—

11 (1) \$1,646,000,000 for awarding grants under section 101, 102, 103, 104(a) through
12 104(i), 104(l), 104(m), 105(a) through 105(g), 106(a)(2), 106(a)(4), 106(b) through 106(f),
13 109, 110, 111, 113, 115, 116, 120, and 122 of the Housing and Community Development
14 Act of 1974 (42 U.S.C. 5301, 5302, 5303, 5304(a)-(i), 5304(l), 5304(m), 5305(a)-(g),
15 5306(a)(2), 5306(a)(4), 5306(b)-(f), 5309, 5310, 5311, 5313, 5314, 5315, 5316, 5319, and
16 5321) awarded on a competitive basis to eligible recipients to carry out grants under
17 subsection (c) of this section;

18 (2) \$8,000,000 for research and evaluation related to housing planning and other
19 associated costs;

20 (3) \$30,000,000 to provide technical assistance to grantees or applicants for grants made
21 available by this section; and

22 (4) \$66,000,000 for the costs to the Secretary of administering and overseeing the
23 implementation of this section and community and economic development programs
24 overseen by the Secretary generally, including information technology, financial reporting,
25 research and evaluations, and other cross-program costs in support of programs
26 administered by the Secretary in this title, and other costs.

27 Amounts appropriated by this section shall remain available until September 30, 2031.

28 (b) Program Establishment.—The Secretary of Housing and Urban Development shall
29 establish a competitive grant program for—

30 (1) planning grants to develop and evaluate housing plans and substantially improve
31 housing strategies;

32 (2) streamlining regulatory requirements and shorten processes, reform zoning codes,
33 increasing capacity to conduct housing inspections, or other initiatives that reduce barriers
34 to housing supply elasticity and affordability;

35 (3) developing and evaluating local or regional plans for community development to
36 substantially improve community development strategies related to sustainability, fair
37 housing, and location efficiency;

38 (4) implementation and livable community investment grants; and

39 (5) research and evaluation.

1 (c) Grants.—

2 (1) PLANNING GRANTS.—The Secretary shall, under selection criteria determined by the
3 Secretary, award grants under this paragraph on a competitive basis to eligible entities to
4 assist planning activities, including administration of such activities, engagement with
5 community stakeholders and housing practitioners, to—

6 (A) develop housing plans;

7 (B) substantially improve State or local housing strategies;

8 (C) develop new regulatory requirements and processes, reform zoning codes,
9 increasing capacity to conduct housing inspections, or undertake other initiatives to
10 reduce barriers to housing supply elasticity and affordability;

11 (D) develop local or regional plans for community development; and

12 (E) substantially improve community development strategies, including strategies to
13 increase availability and access to affordable housing, to further access to public
14 transportation or to advance other sustainable or location-efficient community
15 development goals.

16 (2) IMPLEMENTATION AND LIVABLE COMMUNITY INVESTMENT GRANTS.—The Secretary
17 shall award implementation grants under this paragraph on a competitive basis to eligible
18 entities for the purpose of implementing and administering—

19 (A) completed housing strategies and housing plans and any planning to
20 affirmatively further fair housing within the meaning of subsections (d) and (e) of
21 section 808 of the Fair Housing Act (42 U.S.C. 608) and applicable regulations and for
22 community investments that support the goals identified in such housing strategies or
23 housing plans;

24 (B) new regulatory requirements and processes, reformed zoning codes, increased
25 capacity to conduct housing inspections, or other initiatives to reduce barriers to
26 housing supply elasticity and affordability that are consistent with a plan under
27 subparagraph (A);

28 (C) completed local or regional plans for community development and any planning
29 to increase availability and access to affordable housing, access to public transportation
30 and other sustainable or location-efficient community development goals.

31 (d) Coordination With FTA Administrator.—To the extent practicable, the Secretary shall
32 coordinate with the Federal Transit Administrator in carrying out this section.

33 (e) Definitions.—For purposes of this section, the following definitions apply:

34 (1) ELIGIBLE ENTITY.—The term “eligible entity” means—

35 (A) a State, insular area, metropolitan city, or urban county, as such terms are
36 defined in section 102 of the Housing and Community Development Act of 1974 (42
37 U.S.C. 5302); or

38 (B) for purposes of grants under subsection (b)(1), a regional planning agency or
39 consortia.

40 (2) HOUSING PLAN; HOUSING STRATEGY.—

1 (A) HOUSING PLAN.—The term “housing plan” means a plan of an eligible entity to,
2 with respect to the area within the jurisdiction of the eligible entity—

3 (i) match the creation of housing supply to existing demand and projected
4 demand growth in the area, with attention to preventing displacement of residents,
5 reducing the concentration of poverty, and meaningfully reducing and not
6 perpetuating housing segregation on the basis of race, color, religion, natural
7 origin, sex, disability, or familial status;

8 (ii) increase the affordability of housing in the area, increase the accessibility of
9 housing in the area for people with disabilities, including location-efficient
10 housing, and preserve or improve the quality of housing in the area;

11 (iii) reduce barriers to housing development in the area, with consideration for
12 location efficiency, affordability, and accessibility; and

13 (iv) coordinate with the metropolitan transportation plan of the area under the
14 jurisdiction of the eligible entity, or other regional plan.

15 (B) HOUSING STRATEGY.—The term “housing strategy” means the housing strategy
16 required under section 105 of the Cranston-Gonzalez National Affordable Housing Act
17 (42 U.S.C. 12705).

18 (f) Costs to Grantees.—Up to 15 percent of a recipient’s grant may be used for administrative
19 costs.

20 (g) Rules of Construction.—

21 (1) IN GENERAL.— Except as otherwise provided by this section, amounts appropriated or
22 otherwise made available under this section shall be subject to the community development
23 block grant program requirements under title I of the Housing and Community
24 Development Act of 1974 (42 U.S.C. 5301-5321).

25 (2) EXCEPTIONS.—

26 (A) HOUSING CONSTRUCTION.—Expenditures on new construction of housing shall
27 be an eligible expense under this section.

28 (B) BUILDINGS FOR GENERAL CONDUCT OF GOVERNMENT.—Expenditures on building
29 for the general conduct of government, other than the Federal Government, shall be
30 eligible under this section when necessary and appropriate as a part of a natural hazard
31 mitigation project.

32 (h) Waivers.—The Secretary may waive or specify alternative requirements for any provision
33 of subsection (a)(1) or regulation for the administration of the amounts made available under this
34 section other than requirements related to fair housing, nondiscrimination, labor standards, and
35 the environment, upon a finding that the waiver or alternative requirement is not inconsistent
36 with the overall purposes of such Act and that the waiver or alternative requirement is necessary
37 to facilitate the use of amounts made available under this section.

38 (i) Implementation.—The Secretary shall have the authority to issue such regulations, notices,
39 or other guidance, forms, instructions, and publications to carry out the programs, projects, or
40 activities authorized under this section to ensure that such programs, projects, or activities are
41 completed in a timely and effective manner.

1 SEC. 40104. STRENGTHENING RESILIENCE UNDER 2 NATIONAL FLOOD INSURANCE PROGRAM.

3 (a) NFIP Program Activities.—

4 (1) CANCELLATION.—All indebtedness of the Administrator of the Federal Emergency
5 Management Agency under any notes or other obligations issued pursuant to section
6 1309(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4016(a)) and section 15(e)
7 of the Federal Insurance Act of 1956 (42 U.S.C. 2414(e)), and outstanding as of the date of
8 the enactment of this Act, is hereby cancelled, the Administrator and the National Flood
9 Insurance Fund are relieved of all liability ~~to the Secretary of the Treasury~~ under any such
10 notes or other obligations, including for any interest due, including capitalized interest, and
11 any other fees and charges payable in connection with such notes and obligations, ~~and the~~
12 ~~total amount of notes and obligations issued by the Administrator pursuant to such section~~
13 ~~shall be considered to be reduced by such amount for purposes of the limitation on such~~
14 ~~total amount under section 1309(a) (42 U.S.C. 4016(a)).~~

15 (2) USE OF SAVINGS FOR FLOOD MAPPING.—In addition to amounts otherwise available,
16 for each of fiscal years 2022 and 2023, an amount equal to the interest the National Flood
17 Insurance Program would have accrued from servicing the canceled debt under paragraph
18 (1) in that fiscal year, which shall be derived from offsetting amounts collected under
19 section 1310(d) of the National Flood Insurance Act of 1968 (42 U.S.C. 4017(d)), **and** shall
20 remain available until expended for activities identified in section 100216 (b)(1)(A) of the
21 Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4101b(b)(1)(A)) and
22 related salaries and administrative expenses.

23 (b) Means-tested Assistance for National Flood Insurance Program Policyholders.—

24 (1) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to
25 the Administrator of the Federal Emergency Management Agency for fiscal year 2022, out
26 of any money in the Treasury not otherwise appropriated, \$600,000,000, to remain available
27 until September 30, 2026, to provide assistance to eligible policyholders in the form of
28 graduated discounts for insurance costs with respect to covered properties.

29 (2) TERMS AND CONDITIONS.—

30 (A) DISCOUNTS.—The Administrator shall use funds provided under this subsection
31 to establish graduated discounts available to eligible policyholders under this
32 subsection, with respect to covered properties, which may be based on the following
33 factors:

34 (i) The percentage by which the household income of the eligible policyholder
35 is equal to, or less than, 120 percent of the area median income for the area in
36 which the property to which the policy applies is located.

37 (ii) The number of eligible policyholders participating in the program
38 authorized under this subsection.

39 (iii) The availability of funding.

40 (B) DISTRIBUTION OF PREMIUM.—With respect to the amount of the discounts
41 provided under this subsection in a fiscal year, and any administrative expenses

1 incurred in carrying out this subsection for that fiscal year, the Administrator shall,
2 from amounts made available to carry out this subsection for that fiscal year, deposit in
3 the National Flood Insurance Fund established under section 1310 of the National
4 Flood Insurance Act of 1968 (42 U.S.C. 4017) an amount equal to those discounts and
5 administrative expenses, except to the extent that section 1310A of the National Flood
6 Insurance Act of 1968 (42 U.S.C. 4017a) applies to any portion of those discounts or
7 administrative expenses, in which case the Administrator shall deposit an amount equal
8 to those amounts to which such section 1310A applies in the National Flood Insurance
9 Reserve Fund established under such section 1310A.

10 (C) REQUIREMENT ON TIMING.—Not later than 21 months after the date of the
11 enactment of this section, the Administrator shall issue interim guidance to implement
12 this subsection which shall expire on the later of—

13 (i) the date that is 60 months after the date of the enactment of this section; or

14 (ii) the date on which a final rule issued to implement this subsection takes
15 effect.

16 (3) DEFINITIONS.—In this subsection:

17 (A) ADMINISTRATOR.—The term “Administrator” means the Administrator of the
18 Federal Emergency Management Agency.

19 (B) COVERED PROPERTY.—The term “covered property” means—

20 (i) a primary residential dwelling designed for the occupancy of from 1 to 4
21 families; or

22 (ii) personal property relating to a dwelling described in clause (i) or personal
23 property in the primary residential dwelling of a renter.

24 (C) ELIGIBLE POLICYHOLDER.—The term “eligible policyholder” means a
25 policyholder with a household income that is not more than 120 percent of the area
26 median income for the area in which the property to which the policy applies is
27 located.

28 (D) INSURANCE COSTS.—The term “insurance costs” means insurance premiums,
29 fees, and surcharges charged under the National Flood Insurance Program, with respect
30 to a covered property for a year.

31 SEC. 40105. COMMUNITY RESTORATION AND 32 REVITALIZATION FUND.

33 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
34 Community Restoration and Revitalization Fund established under subsection (b) for fiscal year
35 2022, out of any money in the Treasury not otherwise appropriated, to remain available until
36 September 30, 2031—

37 (1) \$2,000,000,000 for awards of planning and implementation grants under section 101,
38 102, 103, 104(a) through 104(i), 104(l), 104(m), 105(a) through 105(g), 106(a)(2),
39 106(a)(4), 106(b) through 106(f), 109, 110, 111, 113, 115, 116, 120, and 122 of the Housing
40 and Community Development Act of 1974 (42 U.S.C. 5301, 5302, 5303, 5304(a)-(i),

1 5304(l), 5304(m), 5305(a)-(g), 5306(a)(2), 5306(a)(4), 5306(b)-(f), 5309, 5310, 5311, 5313,
2 5314, 5315, 5316, 5319, and 5321), awarded on a competitive basis to eligible recipients, as
3 defined under subsection (c)(2) of this section, to carry out community-led projects to create
4 equitable civic infrastructure and create or preserve affordable, accessible housing,
5 including creating, expanding, and maintaining community land trusts and shared equity
6 homeownership programs;

7 (2) \$500,000,000 for planning and implementation grants under section 101, 102, 103,
8 104(a) through 104(i), 104(l), 104(m), 105(a) through 105(g), 106(a)(2), 106(a)(4), 106(b)
9 through 106(f), 109, 110, 111, 113, 115, 116, 120, and 122 of the Housing and Community
10 Development Act of 1974 (42 U.S.C. 5301, 5302, 5303, 5304(a)-(i), 5304(l), 5304(m),
11 5305(a)-(g), 5306(a)(2) 5306(a)(4), 5306(b)-(f), 5309, 5310, 5311, 5313, 5314, 5315, 5316,
12 5319, and 5321), awarded on a competitive basis to eligible recipients to create, expand, and
13 maintain community land trusts and shared equity homeownership, including through the
14 acquisition, rehabilitation, and new construction of affordable, accessible housing;

15 (3) \$400,000,000 for the Secretary to provide technical assistance, capacity building, and
16 program support to applicants, potential applicants, and recipients of amounts appropriated
17 for grants under this section; and

18 (4) \$100,000,000 for the costs to the Secretary of administering and overseeing the
19 implementation of this section and community and economic development programs
20 overseen by the Secretary generally, including information technology, financial reporting,
21 research and evaluations, and other cross-program costs in support of programs
22 administered by the Secretary in this title, and other costs.

23 (b) Establishment of Fund.—The Secretary of Housing and Urban Development (in this
24 section referred to as the “Secretary”) shall establish a Community Restoration and
25 Revitalization Fund (in this section referred to as the “Fund”) to award planning and
26 implementation grants on a competitive basis to eligible recipients as defined in this section for
27 activities authorized under subsections (a) through (g) of section 105 of the Housing and
28 Community Development Act of 1974 (42 U.S.C. 5305) and under this section for
29 community-led affordable housing and civic infrastructure projects.

30 (c) Eligible Geographical Areas, Recipients, and Applicants.—

31 (1) GEOGRAPHICAL AREAS.—The Secretary shall award grants from the Fund to eligible
32 recipients within geographical areas at the neighborhood, county, or census tract level,
33 including census tracts adjacent to the project area that are areas in need of investment, as
34 demonstrated by two or more of the following factors:

35 (A) High and persistent rates of poverty.

36 (B) Population at risk of displacement due to rising housing costs.

37 (C) Dwelling unit sales prices that are lower than the cost to acquire and rehabilitate,
38 or build, a new dwelling unit.

39 (D) High proportions of residential and commercial properties that are vacant due to
40 foreclosure, eviction, abandonment, or other causes.

41 (E) Low rates of homeownership by race and ethnicity, relative to the national
42 homeownership rate.

1 (2) ELIGIBLE RECIPIENT.—An eligible recipient of a planning or implementation grant
2 under subsection (b)(1) or an implementation grant under subsection (b)(2) shall be a local
3 partnership of a lead applicant and one or more joint applicants with the ability to
4 administer the grant. An eligible recipient of a planning grant under subsection (b)(2) shall
5 be a lead applicant with the ability to administer the grant, including a regional, State, or
6 national nonprofit.

7 (d) Eligible Recipients and Applicants.—

8 (1) LEAD APPLICANT.—An eligible lead applicant for a grant awarded under this section
9 shall **be an entity be**—

10 ~~(A)(i) a nonprofit organization that is located within or serves the geographical~~
11 **geographic** area of the project, or ~~that~~ derives its mission and operational priorities from the
12 needs of the ~~geographical~~ **geographic** area of the project, demonstrates a commitment to
13 anti-displacement efforts, and **that is**—

14 (A) **a nonprofit organization that** has expertise in community planning,
15 engagement, organizing, housing and community development;

16 ~~(ii) if the geographical area of the project is located in any area where no such local~~
17 ~~nonprofit organization exists, a national nonprofit organization with such expertise;~~

18 (B) ~~a community development corporation, that is located within or serves the~~
19 ~~geographical area of the project and can demonstrate a track record of making~~
20 ~~investments in the geographical area of the project, and demonstrates a commitment to~~
21 ~~anti-displacement efforts;~~

22 (C) ~~a community housing development organization, defined in section 104 of the~~
23 ~~Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704) or;~~

24 (D) ~~a community-based development organization, that is located within or serves~~
25 ~~the geographical area of the project and experienced in neighborhood revitalization,~~
26 ~~community-based economic development, housing development activities, and~~
27 ~~demonstrates a commitment to anti-displacement efforts; or; or~~

28 ~~(E) a community development financial institution, as defined by section 103 of~~
29 ~~the Riegle Community Development and Regulatory Improvement Act of 1994 (12~~
30 ~~U.S.C. 4702), that is located within or serves the geographical area of the project,~~
31 ~~demonstrates a commitment to anti-displacement efforts, and has a track record of~~
32 ~~making investments in the geographic project area.~~

33 (2) JOINT APPLICANTS.—A joint applicant shall be ~~a local, regional or national~~ **an** entity
34 ~~that is an eligible to be a lead applicant in paragraph (1), or a local, regional, or national~~
35 ~~nonprofit, governmental, special purpose nonprofit, or public housing entity. national~~—

36 (A) **nonprofit organization;**

37 (B) **community development financial institution;**

38 (C) **unit of general local government;**

39 (D) **Indian tribe;**

40 (E) **State housing finance agency;**

1 **(F) land bank;**

2 **(G) fair housing enforcement organization (as such term is defined in section**
3 **561 of the Housing and Community Development Act of 1987 (42 U.S.C. 3616a));**

4 **(H) public housing agency;**

5 **(I) tribally designated housing entity; or**

6 **(J) philanthropic organization.**

7 **(3) LACK OF LOCAL ENTITY.—A regional, State, or national nonprofit organization**
8 **may serve as a lead entity if there is no local entity that meets the geographic**
9 **requirements in paragraph (1).**

10 (e) Uses of Funds.—

11 (1) IN GENERAL.—Planning and implementation grants awarded under this section shall
12 be used to support civic infrastructure and housing-related activities.

13 (2) IMPLEMENTATION GRANTS.—Implementation grants awarded under this section may
14 be used for activities eligible under subsections (a) through (g) of section 105 of the
15 Housing and Community Development Act of 1974 (42 U.S.C. 5305) and other activities to
16 support civic infrastructure and housing-related activities, including—

17 (A) new construction of housing;

18 (B) demolition of abandoned or distressed structures, but only if such activity is part
19 of a strategy that incorporates rehabilitation or new construction, anti-displacement
20 efforts such as tenants' right to return and right of first refusal to purchase, and efforts
21 to increase affordable, accessible housing and homeownership, except that not more
22 than 10 percent of any grant made under this section may be used for activities under
23 this subparagraph unless the Secretary determines that such use is to the benefit of
24 existing residents;

25 (C) facilitating the creation, maintenance, or availability of rental units, including
26 units in mixed-use properties, affordable and accessible to a household whose income
27 does not exceed 80 percent of the median income for the area, as determined by the
28 Secretary, for a period of not less than 30 years;

29 (D) facilitating the creation, maintenance, or availability of homeownership units
30 affordable and accessible to households whose incomes do not exceed 120 percent of
31 the median income for the area, as determined by the Secretary;

32 (E) establishing or operating land banks; and

33 (F) providing assistance to existing residents experiencing economic distress or at
34 risk of displacement, including purchasing nonperforming mortgages and clearing and
35 obtaining formal title.

36 (3) COMMUNITY LAND TRUST GRANTS AND SHARED EQUITY HOMEOWNERSHIP
37 GRANTS.—An eligible recipient of a community land trust grant awarded for establishing
38 and operating a community land trust or shared equity homeownership program; creation,
39 subsidization, construction, acquisition, rehabilitation, and preservation of housing in a
40 community land trust or shared equity homeownership program, and expanding the capacity

1 of the recipient to carry out the grant.

2 (f) Waivers.—The Secretary may waive or specify alternative requirements for any provision
3 of subsection (a)(1) or (a)(2), or regulation for the administration of the amounts made available
4 under this section other than requirements related to fair housing, nondiscrimination, labor
5 standards, and the environment, upon a finding that the waiver or alternative requirement is not
6 inconsistent with the overall purposes of such Act and that the waiver or alternative requirement
7 is necessary to expedite or facilitate the use of amounts made available under this section.

8 (g) Definitions.—For purposes of this section, the following definitions shall apply:

9 (1) COMMUNITY LAND TRUST.—The term “community land trust” means a nonprofit
10 organization or State or local governments or instrumentalities that—

11 (A) use a ground lease or deed covenant with an affordability period of at least 30
12 years or more to—

13 (i) make rental and homeownership units affordable to households; and

14 (ii) stipulate a preemptive option to purchase the affordable rentals or
15 homeownership units so that the affordability of the units is preserved for
16 successive income-eligible households; and

17 (B) monitor properties to ensure affordability is preserved.

18 (2) LAND BANK.—The term “land bank” means a government entity, agency, or program,
19 or a special purpose nonprofit entity formed by one or more units of government in
20 accordance with State or local land bank enabling law, that has been designated by one or
21 more State or local governments to acquire, steward, and dispose of vacant, abandoned, or
22 other problem properties in accordance with locally-determined priorities and goals.

23 (3) SHARED EQUITY HOMEOWNERSHIP PROGRAM.—The term “shared equity
24 homeownership program” means a program to facilitate affordable homeownership
25 preservation through a resale restriction program administered by a community land trust,
26 other nonprofit organization, or State or local government or instrumentalities and that
27 utilizes a ground lease, deed restriction, subordinate loan, or similar mechanism that
28 includes provisions ensuring that the program shall—

29 (A) maintain the home as affordable for subsequent very low-, low-, or
30 moderate-income families for an affordability term of at least 30 years after
31 recordation;

32 (B) apply a resale formula that limits the homeowner’s proceeds upon resale; and

33 (C) provide the program administrator or such administrator’s assignee a preemptive
34 option to purchase the homeownership unit from the homeowner at resale.

35 (h) Implementation.—The Secretary shall have authority to issue such regulations, notices, or
36 other guidance, forms, instructions, and publications to carry out the programs, projects, or
37 activities authorized under this section to ensure that such programs, projects, or activities are
38 completed in a timely and effective manner.

39 **SEC. 40106. FAIR HOUSING ACTIVITIES AND**

1 **INVESTIGATIONS.**

2 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
3 Secretary of Housing and Urban Development (in this section referred to as the “Secretary”) for
4 fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

5 (1) \$540,000,000, to remain available until September 30, 2026, for the Fair Housing
6 Initiatives Program under section 561 of the Housing and Community Development Act of
7 1987 (42 U.S.C. 3616a) to ensure existing and new fair housing organizations have
8 expanded and strengthened capacity to address fair housing inquiries and complaints,
9 conduct local, regional, and national testing and investigations, conduct education and
10 outreach activities, and address costs of delivering or adapting services to meet increased
11 housing market activity and evolving business practices in the housing, housing-related, and
12 lending markets. Amounts made available under this section shall support greater
13 organizational continuity and capacity, including through up to 10-year grants; and

14 (2) \$160,000,000, to remain available until September 30, 2031, for the costs to the
15 Secretary of administering and overseeing the implementation of this section and the Fair
16 Housing Initiatives and Fair Housing Assistance Programs generally, including information
17 technology, financial reporting, research and evaluations, other cross-program costs in
18 support of programs administered by the Secretary in this title, and other costs.

19 (b) Implementation.—The Secretary shall have authority to issue such regulations, notices, or
20 other guidance, forms, instructions, and publications to carry out the programs, projects, or
21 activities authorized under this section to ensure that such programs, projects, or activities are
22 completed in a timely and effective manner.

23 **SEC. 40107. INTERGOVERNMENTAL FAIR HOUSING**
24 **ACTIVITIES AND INVESTIGATIONS.**

25 **In addition to amounts otherwise available, there is appropriated to the Secretary of**
26 **Housing and Urban Development (in this section referred to as the “Secretary”) for fiscal**
27 **year 2022, out of any money in the Treasury not otherwise appropriated—**

28 **(1) \$75,000,000 for support for cooperative efforts with State and local agencies**
29 **administering fair housing laws under section 817 of the Fair Housing Act (42 U.S.C.**
30 **3616) to assist the Secretary to affirmatively further fair housing, and for Fair**
31 **Housing Assistance Program cooperative agreements with interim certified and**
32 **certified State and local agencies, under the requirements of subpart C of part 115 of**
33 **title 24, Code of Federal Regulations, to ensure expanded and strengthened capacity of**
34 **substantially equivalent agencies to assume a greater share of the responsibility for the**
35 **administration and enforcement of fair housing laws; and**

36 **(2) \$25,000,000 for the costs to the Secretary of administering and overseeing the**
37 **implementation of this section and the Fair Housing Assistance and Fair Housing**
38 **Initiatives Programs generally, including information technology, financial reporting,**
39 **research and evaluations, other cross-program costs in support of programs**
40 **administered by the Secretary in this title, and other costs.**

41 **Subtitle C—Homeownership Investments**

1 **SEC. 40201. FIRST-GENERATION DOWNPAYMENT**
2 **ASSISTANCE.**

3 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
4 First Generation Downpayment Fund to increase equal access to homeownership, established
5 under subsection (b) for fiscal year 2022, out of any money in the Treasury not otherwise
6 appropriated—

7 (1) \$6,825,000,000, to remain available until September 30, 2026, for the
8 First-Generation Downpayment Assistance Fund under this section for allocation ~~among~~
9 **States to each State** in accordance with a formula established by the Secretary, which shall
10 take into consideration best available data to approximate the number of potential qualified
11 homebuyers as defined in subsection ~~(e)(5)(e)(7)~~ as well as median area home prices, to
12 carry out the eligible uses of the Fund as described in subsection (c);

13 (2) \$2,275,000,000, to remain available until September 30, 2026, for the
14 First-Generation Downpayment Assistance Program under this section for competitive
15 grants to eligible entities to carry out the eligible uses of the Fund as described in subsection
16 (d);

17 (3) \$500,000,000, to remain available until September 30, 2031, for the costs of
18 providing housing counseling required under the First-Generation Downpayment Assistance
19 Program under subsection (c)(1); and

20 (4) \$400,000,000, to remain available until September 30, 2031, for the costs to the
21 Secretary of Housing and Urban Development of administering and overseeing the
22 implementation of the First-Generation Downpayment Assistance Program, including
23 information technology, financial reporting, programmatic reporting, ~~ensuring fair housing~~
24 ~~and fair lending compliance~~, research and evaluations, which shall include the program’s
25 impact on racial and ethnic disparities in homeownership rates, technical assistance to
26 recipients of amounts under this section, and other cross-program costs in support ~~to~~ **of**
27 programs administered by the Secretary in this Act, and other costs.

28 (b) Establishment.—The Secretary of Housing and Urban Development shall establish and
29 manage a fund to be known as the First Generation Downpayment Fund (in this section referred
30 to as the “Fund”) for the uses set forth in subsection (d).

31 (c) Allocation of Funds.—

32 (1) INITIAL ALLOCATION.—The Secretary shall allocate and award funding provided by
33 subsection (a) as provided under such subsection not later than 12 months after the date of
34 the enactment of this section.

35 (2) REALLOCATION.—If a State or eligible entity does not demonstrate the capacity to
36 expend grant funds provided under this section, the Secretary may recapture amounts
37 remaining available to a grantee that has not demonstrated the capacity to expend such
38 funds in a manner that furthers the purposes of this section and shall reallocate such
39 amounts among any other States or eligible entities that have demonstrated to the Secretary
40 the capacity to expend such amounts in a manner that furthers the purposes of this section.

41 (d) Terms and Conditions of Grants Allocated or Awarded From Fund.—

1 (1) USES OF FUNDS.—States and eligible entities receiving grants from the Fund shall use
2 such grants to provide assistance to or on behalf of a qualified homebuyer who has
3 completed a program of housing counseling provided through a housing counseling agency
4 approved by the Secretary or other adequate homebuyer education before entering into a
5 sales purchase agreement for—

6 (A) costs in connection with the acquisition, involving an eligible mortgage loan, of
7 an eligible home, including downpayment costs, closing costs, and costs to reduce the
8 rates of interest on eligible mortgage loans;

9 (B) subsidies to make shared equity homes affordable to eligible homebuyers; and

10 (C) pre-occupancy home modifications to accommodate qualified homebuyers or
11 members of their household with disabilities;

12 (2) AMOUNT OF ASSISTANCE.—Assistance under this section—

13 (A) may be provided to or on behalf of any qualified homebuyer;

14 **(B) may be provided to or on behalf of any qualified homebuyer only once in the**
15 **form of forgivable grants or forgivable, non-amortizing, non-interest-bearing loans ÷**
16 **and that may only be required to be repaid pursuant to paragraph (d)(4); and**

17 ~~(B)(C)~~ (C) may not exceed the greater of \$20,000 or 10 percent of the purchase price in
18 the case of a qualified homebuyer, not to include assistance received under subsection
19 ~~(d)(1)(A)(iii)(d)(1)(C)~~ for disability related home modifications, except that the
20 Secretary may increase such maximum limitation amounts ~~in the case of a for~~
21 **qualified homebuyer homebuyers who is are** economically disadvantaged.

22 (3) PROHIBITION OF PRIORITY.—~~IN PRIORITY OR RECOUPMENT OF FUNDS.~~—**In** selecting
23 qualified homebuyers for assistance with grant amounts under this section, a State or
24 eligible entity may not provide any priority or preference for homebuyers who are acquiring
25 eligible homes with a mortgage loan made, insured, guaranteed, or otherwise assisted by the
26 State housing finance agency for the State, any other housing agency of the State, or an
27 eligible entity when applicable, **nor may the State or eligible entity seek to recoup any**
28 **funds associated with the provision of downpayment assistance to the qualified**
29 **homebuyer, whether through premium pricing or otherwise, except as provided in**
30 **paragraph (4) of this subsection or otherwise authorized by the Secretary.**

31 (4) REPAYMENT OF ASSISTANCE.—

32 (A) REQUIREMENT.—The Secretary shall require that, if a homebuyer to or on behalf
33 of whom assistance is provided from grant amounts under this section fails or ceases to
34 occupy the property acquired using such assistance as the primary residence of the
35 homebuyer, except in the case of assistance provided in connection with the purchase
36 of a principal residence through a shared equity homeownership program, the
37 homebuyer shall repay to the State or eligible entity, as applicable, in a proportional
38 amount of the assistance the homebuyer receives based on the number of years they
39 have occupied the eligible home up to 5 years, except that no assistance shall be repaid
40 if the qualified homebuyer occupies the eligible home as a primary residence for 5
41 years or more.

42 (B) LIMITATION.—Notwithstanding subparagraph (A), a homebuyer to or on behalf

1 of whom assistance is provided from grant amounts under this section shall not be
2 liable to the State or eligible entity for the repayment of the amount of such shortage if
3 the homebuyer fails or ceases to occupy the property acquired using such assistance as
4 the principal residence of the homebuyer at least in part because of a hardship, or sells
5 the property acquired with such assistance before the expiration of the 60-month period
6 beginning on such date of acquisition and the capital gains from such sale to a bona
7 fide purchaser in an arm's length transaction are less than the amount the homebuyer is
8 required to repay the State or eligible entity under subparagraph (A).

9 (5) RELIANCE ON BORROWER ATTESTATIONS.—No additional documentation beyond the
10 borrower's attestation shall be required to demonstrate eligibility under subparagraphs (B)
11 and (C) of subsection ~~(e)~~~~(6)~~~~(e)~~~~(7)~~ and no State, eligible entity, or creditor shall be subject to
12 liability based on the accuracy of such attestation.

13 (6) COSTS TO GRANTEE.—**States and eligible entities receiving grants from the Fund**
14 **may use a portion of such grants for administrative costs up to the limit specified by**
15 **the Secretary.**

16 (e) Definitions.—For purposes of this section, the following definitions shall apply:

17 (1) ELIGIBLE ENTITY.—The term “eligible entity” means—

18 (A) a minority depository institution, as such term is defined in section 308 of the
19 Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C.
20 1463 note);

21 (B) a community development financial institution, as such term is defined in
22 section 103 of the Riegle Community Development and Regulatory Improvement Act
23 of 1994 (12 U.S.C. 4702), that is certified by the Secretary of the Treasury and targets
24 services to **minority and** low-income ~~and socially disadvantaged~~ populations ~~and or~~
25 provides services in neighborhoods having high concentrations of minority; ~~and~~
26 low-income, ~~or socially disadvantaged~~ populations;

27 (C) any other nonprofit entity that the Secretary finds has a track record of providing
28 assistance to homeowners, targets services to **minority and** low-income ~~and socially~~
29 ~~disadvantaged~~ populations, ~~and or~~ provides services in neighborhoods having high
30 concentrations of minority; ~~and~~ low-income, ~~or socially disadvantaged~~ populations;
31 and

32 (D) a unit of general local government, as such term is defined in section 102 of the
33 Housing and Community Development Act of 1974 (42 U.S.C. 5302).

34 (2) ELIGIBLE HOME.—The term “eligible home” means a residential dwelling that—

35 (A) consists of 1 to 4 dwelling units; and

36 (B) will be occupied by the qualified homebuyer as the primary residence of the
37 homebuyer.

38 (3) ELIGIBLE MORTGAGE LOAN.—The term “eligible mortgage loan” means a
39 single-family residential mortgage loan that—

40 (A) meets the underwriting requirements and dollar amount limitations for
41 acquisition by the Federal National Mortgage Association or the Federal Home Loan

1 Mortgage Corporation;

2 (B) is made, insured, or guaranteed under any program administered by the
3 Secretary;

4 (C) is made, insured, or guaranteed by the Rural Housing Administrator of the
5 Department of Agriculture;

6 (D) is a qualified mortgage, as such term is defined in section 129C(b)(2) of the
7 Truth in Lending Act (15 U.S.C. 1639c(b)(2)); or

8 (E) is made, insured, or guaranteed for the benefit of a veteran.

9 (4) FIRST GENERATION HOMEBUYER.—The term “first-generation homebuyer” means a
10 homebuyer that is, as attested by the homebuyer—

11 (A) an individual—

12 (i) whose parents or legal guardians do not, or did not at the time of their death,
13 to the best of the individual’s knowledge, have any present ownership interest in a
14 ~~principal~~ residence in any State, excluding ownership of their property **or**
15 **ownership of chattel**; and

16 (ii) whose spouse or domestic partner has not, during the 3-year period ending
17 upon acquisition of the eligible home to be acquired using such assistance, had
18 any present ownership interest in a ~~principal~~ residence in any State, excluding
19 ownership of their property **or ownership of chattel**, whether the individual is a
20 co-borrower on the loan or not;

21 (B) an individual who has at any time been placed in foster care or institutional care
22 whose spouse or domestic partner has not, during the 3-year period ending upon
23 acquisition of the eligible home to be acquired using such assistance, had any
24 ownership interest in a ~~principal~~ residence in any State, excluding ownership of their
25 property **or ownership of chattel**, whether such individuals are co-borrowers on the
26 loan or not.

27 (5) HEIR PROPERTY.—The term “heir property” means residential property for which title
28 passed by operation of law through intestacy and is held by two or more heirs as tenants in
29 common.

30 (6) OWNERSHIP INTEREST.—The term “ownership interest” means any ownership,
31 excluding any interest in heir property, in—

32 (A) real estate in fee simple;

33 (B) a leasehold on real estate under a lease for not less than ninety-nine years which
34 is renewable; or

35 (C) a fee interest in, or long-term leasehold interest in, real estate consisting of a
36 one-family unit in a multifamily project, including a project in which the dwelling
37 units are attached, or are manufactured housing units, semi-detached, or detached, and
38 an undivided interest in the common areas and facilities which serve the project.

39 (7) QUALIFIED HOMEBUYER.—The term “qualified homebuyer” means a homebuyer—

40 (A) having an annual household income that is less than or equal to—

- 1 (i) 120 percent of median income, as determined by the Secretary, for—
2 (I) the area in which the home to be acquired using such assistance is
3 located; or
4 (II) the area in which the place of residence of the homebuyer is located;
5 or
6 (ii) 140 percent of the median income, as determined by the Secretary, for the
7 area within which the eligible home to be acquired using such assistance is
8 located if the homebuyer is acquiring an eligible home located in a high-cost area;
- 9 (B) who is a first-time homebuyer, as such term is defined in section 104 of the
10 Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704), except that
11 for the purposes of this section the reference in such section 104 to title II shall be
12 considered to refer to this section, and except that ownership of heir property shall not
13 be treated as owning a home for purposes of determining whether a borrower qualifies
14 as a first-time homebuyer; and
15 (C) who is a first-generation homebuyer.

16 (8) SECRETARY.—The term “Secretary” means the Secretary of Housing and Urban
17 Development.

18 (9) SHARED EQUITY HOMEOWNERSHIP PROGRAM.—

19 (A) IN GENERAL.—The term “shared equity homeownership program” means
20 affordable homeownership preservation through a resale restriction program
21 administered by a community land trust, other nonprofit organization, or State or local
22 government or instrumentalities.

23 (B) AFFORDABILITY REQUIREMENTS.—Any such program under subparagraph (A)
24 shall—

- 25 (i) provide affordable homeownership opportunities to households; and
26 (ii) utilize a ground lease, deed restriction, subordinate loan, or similar
27 mechanism that includes provisions ensuring that the program shall—

28 (I) maintain the homeownership unit as affordable for subsequent very
29 low-, low-, or moderate-income families for an affordability term of at least
30 30 years after recordation;

31 (II) apply a resale formula that limits the homeowner’s proceeds upon
32 resale; and

33 (III) provide the program administrator or such administrator’s assignee a
34 preemptive option to purchase the homeownership unit from the homeowner
35 at resale.

36 (10) STATE.—The term “State” means any State of the United States, the District of
37 Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, the
38 Commonwealth of the Northern Mariana Islands, and American Samoa.

39 (f) Implementation.—The Secretary shall have authority to issue such regulations, notices, or
40 other guidance, forms, instructions, and publications to carry out the programs, projects, or

1 activities authorized under this section to ensure that such programs, projects, or activities are
2 completed in a timely and effective manner.

3 SEC. 40202. HOME LOAN PROGRAM.

4 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated for fiscal
5 year 2022, out of any amounts in the Treasury not otherwise appropriated, to remain available
6 until September 30, 2031—

7 (1) \$4,000,000,000 to the Secretary of Housing and Urban Development for the cost of
8 guaranteed or insured loans and other obligations, including the cost of modifying such
9 loans, under subsection (e)(1)(A);

10 (2) \$500,000,000 to the Secretary of Housing and Urban Development for costs of
11 carrying out the program under paragraph (1) and programs of the Federal Housing
12 Administration and the Government National Mortgage Association generally, including
13 information technology, financial reporting, and other cross-program costs **in support of**
14 **programs administered by the Secretary in this title, and other costs;**

15 (3) \$150,000,000 to the Secretary of Agriculture for the cost of guaranteed and insured
16 loans and other obligations, including the cost of modifying such loans, under subsection
17 (e)(1)(B);

18 (4) \$50,000,000 to the Secretary of Agriculture for the costs of carrying out the program
19 under paragraph (3) and programs of the Rural Housing Service generally, including
20 information technology and financial reporting in support of the Program administered by
21 the Secretary of Agriculture in this title; and

22 (5) \$300,000,000 to the Secretary of Treasury for the costs of carrying out the program
23 under this section.

24 (b) Use of Funds.—

25 (1) IN GENERAL.—

26 (A) The Secretary of Housing and Urban Development and the Secretary of
27 Agriculture shall use the funds provided under subsections (a)(1), (a)(2), (a)(3), and
28 (a)(4) to carry out the programs under subsections (a)(1) and (a)(3) to make covered
29 mortgage loans.

30 (B) The Secretary of the Treasury shall use the funds provided under subsections
31 (a)(5) and (b)(2) to—

32 (i) purchase, on behalf of the Secretary of Housing and Urban Development,
33 securities that are secured by covered mortgage loans, and sell, manage, and
34 exercise any rights received in connection with, any financial instruments or
35 assets acquired pursuant to the authorities granted under this section, including, as
36 appropriate, establishing and using vehicles to purchase, hold, and sell such
37 financial instruments or assets;

38 (ii) designate one or more banks, security brokers or dealers, asset managers, or
39 investment advisers, as a financial agent of the Federal Government to perform
40 duties related to authorities granted under this section; and

1 (iii) use the services of the Department of Housing and Urban Development on
2 a reimbursable basis, and the Secretary of Housing and Urban Development is
3 authorized to provide services as requested by the Secretary of Treasury using all
4 authorities vested in or delegated to the Department of Housing and Urban
5 Development.

6 (2) TRANSFER OF AMOUNTS TO TREASURY.—Such portions of the appropriation to the
7 Secretary of Housing and Urban Development shall be transferred by the Secretary of
8 Housing and Urban Development to the Department of the Treasury from time-to-time in an
9 amount equal to, as determined by the Secretary of the Treasury in consultation with the
10 Secretary of Housing and Urban Development, the amount necessary for the purchase of
11 securities under the Program during the period for which the funds are intended to be
12 available.

13 (3) USE OF PROCEEDS.—Revenues of and proceeds from the sale, exercise, or surrender of
14 assets purchased or acquired under the Program under this section shall be available to the
15 Secretary of the Treasury through September 30, 2031, for purposes of purchases under
16 subsection (b)(1)(B)(i).

17 (c) Limitation on Aggregate Loan Insurance or Guarantee Authority.—The aggregate original
18 principal obligation of all covered mortgage loans insured or guaranteed under subsection
19 (e)(1)(A) of this section may not exceed \$48,000,000,000, and under section (e)(1)(B) may not
20 exceed \$12,000,000,000.

21 (d) GNMA Guarantee Authority and Fee.—To carry out the purposes of this section, the
22 Government National Mortgage Association may enter into new commitments to issue
23 guarantees of securities based on or backed by mortgages insured or guaranteed under this
24 section, not exceeding \$60,000,000,000, and shall collect guaranty fees consistent with section
25 306(g)(1) of the National Housing Act (12 U.S.C. 1721(g)(1)) that are paid at securitization.

26 (e) Definitions.—In this section:

27 (1) COVERED MORTGAGE LOAN.—

28 (A) IN GENERAL.—The term “covered mortgage loan” means, for purposes of the
29 Program established by the Secretary of Housing and Urban Development, a mortgage
30 loan that—

31 (i) is insured by the Federal Housing Administration pursuant to section 203(b)
32 of the National Housing Act, subject to the eligibility criteria set forth in this
33 subsection, and has a case number issued on or before December 31, 2029;

34 (ii) is made for an original term of 20 years with a monthly mortgage payment
35 of principal and interest that is not more than 110 percent and not less than 100
36 percent of the monthly payment of principal, interest, and periodic mortgage
37 insurance premium associated with a newly originated 30-year mortgage loan
38 with the same loan balance insured by the agency as determined by the Secretary;

39 (iii) subject to subparagraph (C) of this paragraph and notwithstanding section
40 203(c)(2) of the National Housing Act (12 U.S.C. 1709(c)(2)), has a mortgage
41 insurance premium of not more than 4 percent of the loan balance that is paid at
42 closing, financed into the principal balance of the loan, paid through an annual

1 premium, or a combination thereof;

2 (iv) involves a rate of interest that is fixed over the term of the mortgage loan;
3 and

4 (v) is secured by a single-family residence that is the principal residence of an
5 eligible homebuyer.

6 (B) The term “covered mortgage loan” means, for purposes of the Program
7 established by the Secretary of Agriculture, a loan guaranteed under section 502(h) of
8 the Housing Act of 1949 (42 U.S.C. 1472(h)) that—

9 (i) notwithstanding section 502(h)(7)(A) of the Housing Act of 1949 (42 U.S.C.
10 1472(h)(7)(A)), is made for an original term of 20 years with a monthly mortgage
11 payment of principal and interest that is not more than 110 percent and not less
12 than 100 percent of the monthly payment of principal, interest, and loan guarantee
13 fee associated with a newly originated 30-year mortgage loan with the same loan
14 balance guaranteed by the agency as determined by the Secretary; and

15 (ii) subject to subparagraph (C) of this paragraph and notwithstanding section
16 502(h)(8)(A) of the Housing Act of 1949 (42 U.S.C. 1472(h)(8)(A)), has a loan
17 guarantee fee of not more than 4 percent of the principal obligation of the loan.

18 (C) WAIVER AND ALTERNATIVE REQUIREMENTS.—The Secretary of Housing and
19 Urban Development and the Secretary of Agriculture, in consultation with the
20 Secretary of the Treasury, and notwithstanding paragraph (8)(A) of section 502(h) of
21 the Housing Act of 1949 (42 U.S.C. 1472(h)(8)(A)) for purposes of the Program
22 established by the Secretary of Agriculture, may waive or specify alternative
23 requirements for subsection (e)(1)(A)(ii) **or (e)(1)(B)(i)** for covered mortgage loans in
24 connection with the use of amounts made available under this section upon a finding
25 that the waiver or alternative requirement is necessary to facilitate the use of amounts
26 made available under this section.

27 (2) ELIGIBLE HOMEBUYER.—The term “eligible homebuyer” means an individual who—

28 (A) for purposes of the Program established by the Secretary of Housing and Urban
29 Development—

30 (i) has an annual household income that is less than or equal to—

31 (I) 120 percent of median income for the area, as determined by the
32 Secretary of Housing and Urban Development for—

33 (aa) the area in which the home to be acquired using such assistance
34 is located; or

35 (bb) the area in which the place of residence of the homebuyer is
36 located; or

37 (II) if the homebuyer is acquiring an eligible home that is located in a
38 high-cost area, 140 percent of the median income, as determined by the
39 Secretary, for the area within which the eligible home to be acquired using
40 assistance provided under this section is located;

1 (ii) is a first-time homebuyer, as defined in paragraph (4) of this subsection;
2 and

3 (iii) is a first-generation homebuyer as defined in paragraph (3) of this
4 subsection;

5 (B) for purposes of the Program established by the Secretary of Agriculture—

6 (i) meets the applicable requirements in section 502(h) of the Housing Act of
7 1949 (42 U.S.C. 1472(h)); and

8 (ii) is a first-time homebuyer as defined in paragraph (4) of this subsection and
9 a first-generation homebuyer as defined in paragraph (3) of this subsection.

10 (3) FIRST-GENERATION HOMEBUYER.—The term “first-generation homebuyer” means a
11 homebuyer that, as attested by the homebuyer, is—

12 (A) an individual—

13 (i) whose parents or legal guardians do not, or did not at the time of their death,
14 to the best of the individual’s knowledge, have any present ownership interest in a
15 ~~principal~~ residence in any State **or ownership of chattel**, excluding ownership of
16 heir property; and

17 (ii) whose spouse, or domestic partner has not, during the 3-year period ending
18 upon acquisition of the eligible home to be acquired using such assistance, have
19 any present ownership interest in a ~~principal~~ residence in any State, excluding
20 ownership of heir property **or ownership of chattel**, whether the individual is a
21 co-borrower on the loan or not; or

22 (B) an individual who has at any time been placed in foster care or institutional care
23 whose spouse or domestic partner has not, during the 3-year period ending upon
24 acquisition of the eligible home to be acquired using such assistance, had any
25 ownership interest in a ~~principal~~ residence in any State, excluding ownership of heir
26 property **or ownership of chattel**, whether such individuals are co-borrowers on the
27 loan or not.

28 (4) FIRST-TIME HOMEBUYER.—The term “first-time homebuyer” means a homebuyer as
29 defined in section 104 of the Cranston-Gonzalez National Affordable Housing Act (42
30 U.S.C. 12704), except that for the purposes of this section the reference in such section
31 12704(14) to title II shall be considered to refer to this section, and except that ownership of
32 heir property shall not be treated as owning a home for purposes of determining whether a
33 borrower qualifies as a first-time homebuyer.

34 (5) HEIR PROPERTY.—The term “heir property” means residential property for which title
35 passed by operation of law through intestacy and is held by two or more heirs as tenants in
36 common.

37 (6) OWNERSHIP INTEREST.—The term “ownership interest” means any ownership,
38 excluding any interest in heir property, in—

39 (A) real estate in fee simple;

40 (B) a leasehold on real estate under a lease for not less than ninety-nine years which

1 is renewable; or

2 (C) a fee interest in, or long-term leasehold interest in, real estate consisting of a
3 one-family unit in a multifamily project, including a project in which the dwelling
4 units are attached, or are manufactured housing units, semi-detached, or detached, and
5 an undivided interest in the common areas and facilities which serve the project.

6 (7) STATE.—The term “State” means the States of the United States, the District of
7 Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana
8 Islands, Guam, the Virgin Islands, American Samoa, the Trust Territory of the Pacific
9 Islands, and any other territory or possession of the United States.

10 (f) Reliance on Borrower Attestations.—No additional documentation beyond the borrower’s
11 attestation shall be required to demonstrate eligibility under clauses (ii) and (iii) of subsection
12 (e)(2)(A) and clause (ii) of subsection (e)(2)(B) and no State, eligible entity, or creditor shall be
13 subject to liability based on the accuracy of such attestation.

14 (g) Implementation.—The Secretary of Housing and Urban Development, the Secretary of
15 Agriculture, and the Secretary of Treasury shall have authority to issue such regulations, notices,
16 or other guidance, forms, instructions, and publications to carry out the programs, projects, or
17 activities authorized under this section to ensure that such programs, projects, or activities are
18 completed in a timely and effective manner.

19 **SEC. 40203. HUD-INSURED SMALL DOLLAR** 20 **MORTGAGE DEMONSTRATION PROGRAM.**

21 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to
22 the Secretary of Housing and Urban Development (in this section referred to as the
23 “Secretary”) for fiscal year 2022, out of any money in the Treasury not otherwise
24 appropriated, to remain available until September 30, 2031—

25 (1) \$76,000,000 for a program to increase access to small-dollar mortgages, as
26 defined in subsection (b), which may include payment of incentives to lenders,
27 adjustments to terms and costs, individual financial assistance, technical assistance to
28 lenders and certain financial institutions to help originate loans, lender and borrower
29 outreach, and other activities;

30 (2) \$10,000,000 for the cost of insured or guaranteed loans, including the cost of
31 modifying loans; and

32 (3) \$14,000,000 for the costs to the Secretary of administering and overseeing the
33 implementation of this section and programs in the Office of Housing generally,
34 including information technology, financial reporting, research and evaluations, fair
35 housing and fair lending compliance, and other cross-program costs in support of
36 programs administered by the Secretary in this title, and other costs.

37 (b) Small-dollar Mortgage.—For purposes of this section, the term “small-dollar
38 mortgage” means a forward mortgage that—

39 (1) has an original principal balance of \$100,000 or less;

40 (2) is secured by a one- to four-unit property that is the mortgagor’s principal

1 residence; and

2 (3) is insured or guaranteed by the Secretary.

3 (c) Implementation.—The Secretary shall have authority to issue such regulations,
4 notices, or other guidance, forms, instructions, and publications to carry out the programs,
5 projects, or activities authorized under this section to ensure that such programs, projects,
6 or activities are completed in a timely and effective manner.

7 **SEC. 40204. INVESTMENTS IN RURAL** 8 **HOMEOWNERSHIP.**

9 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
10 Rural Housing Service of the Department of Agriculture for fiscal year 2022, out of any money
11 in the Treasury not otherwise appropriated, to remain available until expended—

12 (1) \$90,000,000 for providing single family housing repair grants under section 504 of
13 the Housing Act of 1949 (42 U.S.C. 1474), subject to the terms and conditions in subsection
14 (b) of this section;

15 (2) \$10,000,000 for administrative expenses of the Rural Housing Service of the
16 Department of Agriculture that in whole or in part support activities funded by this section
17 and related activities.

18 (b) Terms and Conditions.—

19 (1) ELIGIBILITY.—Eligibility for grants from amounts made available by subsection (a)(1)
20 shall not be subject to the limitations in section 3550.103(b) of title 7, Code of Federal
21 Regulations.

22 (2) USES.—Notwithstanding the limitations in section 3550.102(a) of title 7, Code of
23 Federal Regulations, grants from amounts made available by subsection (a)(2) shall be
24 available for the eligible purposes in section 3550.102(b) of title 7, Code of Federal
25 Regulations.

26 (c) Implementation.—The Administrator of the Rural Housing Service shall have authority to
27 issue such regulations, notices, or other guidance, forms, instructions, and publications to carry
28 out the programs, projects, or activities authorized under this section to ensure that such
29 programs, projects, or activities are completed in a timely and effective manner.

30 **Subtitle D—HUD Administration, Capacity Building, Technical** 31 **Assistance, and Agency Oversight**

32 **SEC. 40301. PROGRAM ADMINISTRATION, TRAINING,** 33 **TECHNICAL ASSISTANCE, CAPACITY BUILDING, AND** 34 **OVERSIGHT.**

35 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated for fiscal
36 year 2022, out of any money in the Treasury not otherwise appropriated,—

37 (1) \$949,250,000 to the Secretary of Housing and Urban Development for—

1 (A) the costs to the Secretary of administering and overseeing the implementation of
2 this title and the Department's programs generally, including information technology,
3 inspections of housing units, research and evaluation, financial reporting, and other
4 costs; and

5 (B) new awards or increasing prior awards to provide training, technical assistance,
6 and capacity building related to the Department's programs, including direct program
7 support to program recipients throughout the country, including insular areas, that
8 require such assistance with daily operations;

9 (2) \$43,250,000 to the Office of Inspector General of the Department of Housing and
10 Urban Development for necessary salaries and expenses for conducting oversight of
11 amounts provided by this title;

12 (3) \$5,000,000 to the Office of Inspector General of the Department of the Treasury for
13 necessary salaries and expenses for conducting oversight of amounts provided by this title;
14 and

15 (4) \$2,500,000 to the Office of Inspector General of the Department of the Agriculture
16 for necessary salaries and expenses for conducting oversight of amounts provided by this
17 title.

18 Amounts appropriated by this section shall remain available until September 30, 2031.

19 (b) Implementation.—The Secretary of Housing and Urban Development shall have authority
20 to issue such regulations, notices, or other guidance, forms, instructions, and publications to
21 carry out the programs, projects, or activities authorized under this section to ensure that such
22 programs, projects, or activities are completed in a timely and effective manner.

23 **SEC. 40302. COMMUNITY-LED CAPACITY BUILDING.**

24 (a) **Appropriation.**—In addition to amounts otherwise made available, there is
25 appropriated to the Secretary of Housing and Urban Development (in this section referred
26 to as the “Secretary”) for fiscal year 2022, out of any money in the Treasury not otherwise
27 appropriated—

28 (1) **\$90,000,000 for competitively awarded funds for technical assistance and**
29 **capacity building to non-Federal entities, including grants awarded to nonprofit**
30 **organizations to provide technical assistance activities to community development**
31 **corporations, community housing development organizations, community land trusts,**
32 **nonprofit organizations in insular areas, and other mission-driven and nonprofit**
33 **organizations that target services to low-income and socially disadvantaged**
34 **populations, and provide services in neighborhoods having high concentrations of**
35 **minority, low-income, or socially disadvantaged populations to—**

36 (A) **provide training, education, support, and advice to enhance the technical**
37 **and administrative capabilities of community development corporations,**
38 **community housing development organizations, community land trusts, and other**
39 **mission-driven and nonprofit organizations undertaking affordable housing**
40 **development, acquisition, preservation, or rehabilitation activities;**

41 (B) **provide predevelopment assistance to community development**

1 **corporations, community housing development organizations, and other**
2 **mission-driven and nonprofit organizations undertaking affordable housing**
3 **development, acquisition, preservation, or rehabilitation activities; and**

4 **(C) carry out such other activities as may be determined by the grantees in**
5 **consultation with the Secretary; and**

6 **(2) \$10,000,000 for the costs to the Secretary of administering and overseeing the**
7 **implementation of this section and the Department’s technical assistance programs**
8 **generally, including information technology, research and evaluations, financial**
9 **reporting, and other cross-program costs in support of programs administered by the**
10 **Secretary in this title and other costs.**

11 **** 1** Amounts appropriated by this section shall remain available until September 30, 2031.

12 **(b) Implementation.—The Secretary shall have authority to issue such regulations,**
13 **notices, or other guidance, forms, instructions, and publications to carry out the programs,**
14 **projects, or activities authorized under this section to ensure that such programs, projects,**
15 **or activities are completed in a timely and effective manner.**

16 **Subtitle E—Economic Development**

17 **SEC. 40401. MINORITY BUSINESS DEVELOPMENT** 18 **AGENCY.**

19 In addition to amounts otherwise available, there is appropriated to the Minority Business
20 Development Agency of the Department of Commerce for fiscal year 2022, out of any money in
21 the Treasury not otherwise appropriated—

22 (1) \$200,000,000, to remain available until September 30, 2026, for entering into
23 agreements with minority-serving institutions of higher education or consortiums of
24 institutions of higher education that are led by minority-serving institutions of higher
25 education to operate a rural business center to assist minority business enterprises located in
26 rural areas, priority for which shall be given to institutions that have financial need and are
27 located in areas that have a significant population of socially or economically disadvantaged
28 individuals; and

29 (2) \$1,000,000,000, to remain available until September 30, 2026, for entering into grants
30 and agreements to—

31 (A) assist the formation and growth of minority business enterprises;

32 (B) establish and provide Federal assistance to minority business centers, specialty
33 centers, and minority business enterprises;

34 (C) make grants to private, nonprofit organizations that can demonstrate that a
35 primary activity of the organization is to provide services to minority business
36 enterprises, priority for which shall be given to organizations located in a Federally
37 recognized area of economic distress; and

38 (D) provide grants and assistance to minority-serving institutions of higher
39 education to develop and implement entrepreneurship curricula and participate in the

1 business center program of the Minority Business Development Agency; and
2 (3) \$400,000,000, to remain available until September 30, 2029, to—

3 (A) establish not less than 5 regional offices of the Minority Business Development
4 Agency, 1 of which shall be established in each region of the United States, as
5 determined by the Secretary;

6 (B) assist the formation and growth of minority business enterprises;

7 (C) collect data relating to the needs and development of minority business
8 enterprises; ~~and~~

9
10 (D) annually review the status of problems and programs relating to capital
11 formation by minority business enterprises; **and**

12 (E) **carry out this section.**

13
14 **SEC. 40402. ENHANCED USE OF DEFENSE PRODUCTION**
15 **ACT OF 1950.**

16 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated for fiscal
17 year 2022, out of any money at the Treasury not otherwise appropriated, \$500,000,000, to
18 remain available until September 30, 2025, to carry out the Defense Production Act of 1950 in
19 accordance with subsection (b).

20 (b) Use.—Amounts appropriated by subsection (a) shall be used to create, maintain, protect,
21 expand, or restore the domestic industrial base capabilities essential for ~~the national defense.~~
22 **national and economic security.**

23 **SEC. 40403. SUPPORTING FACTORY-BUILT HOUSING**
24 **THROUGH SSBCI.**

25 (a) **In General.**—Section 3009 of the State Small Business Credit Initiative Act of 2010
26 (12 U.S.C. 5708) is amended—

27 (1) in subsection (c), by striking “at the end of the 7-year period beginning on March
28 11, 2021” and inserting “on September 30, 2030”; and

29 (2) by adding at the end the following:

30 **“(f) Additional Technical Assistance With Respect to Factory-built Housing**
31 **Sector.**—The Secretary shall contract with legal, accounting, and financial advisory firms
32 to provide technical assistance to existing and prospective business enterprises within the
33 factory-built housing sector applying to—

34 **“(1) State programs under the Program; and**

35 **“(2) other State or Federal programs that support small businesses.”.**

36 (b) Appropriation.—In addition to amounts otherwise available, there is hereby

- 1 **appropriated to the Secretary of the Treasury for fiscal year 2022, out of any money in the**
- 2 **Treasury not otherwise appropriated, \$25,000,000, to remain available until September 30,**
- 3 **2030, to carry out the amendments made by subsection (a).**

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TITLE V—COMMITTEE ON HOMELAND SECURITY
SEC. 50001. CYBERSECURITY AND INFRASTRUCTURE
SECURITY AGENCY.

(a) Improving Federal System Cybersecurity.—In addition to amounts otherwise made available, there is appropriated to the Cybersecurity and Infrastructure Security Agency for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$100,000,000, to remain available until September 30, 2031, for improving the cybersecurity of Federal information systems that are not national security systems (as defined in paragraph (6) of section 3552 of title 44, United States Code) and necessary mission support activities.

(b) Cybersecurity Training.—In addition to amounts otherwise made available, there is appropriated to the Cybersecurity and Infrastructure Security Agency for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$15,000,000, to remain available until September 30, 2031, for the Cybersecurity Education and Training Assistance Program, Federal assistance grants under the Cybersecurity Education and Training Assistance Program, and necessary mission support activities.

(c) Cybersecurity Awareness, Training, and Workforce Development.—In addition to amounts otherwise made available, there is appropriated to the Cybersecurity and Infrastructure Security Agency for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$100,000,000, to remain available until September 30, 2031, for improving cybersecurity awareness, training, and workforce development, including necessary mission support activities.

(d) Multi-State Information Sharing and Analysis Center.—In addition to amounts otherwise made available, there is appropriated to the Cybersecurity and Infrastructure Security Agency for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$35,000,000, to remain available until September 30, 2031, for Federal assistance through cooperative agreements with the Multi-State Information Sharing and Analysis Center.

(e) Cybersentry.—In addition to amounts otherwise made available, there is appropriated to the Cybersecurity and Infrastructure Security Agency for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$50,000,000, to remain available until September 30, 2031, for the purpose of protecting critical infrastructure industrial control systems and the CyberSentry program.

(f) Cloud Security.—In addition to amounts otherwise made available, there is appropriated to the Cybersecurity and Infrastructure Security Agency for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$50,000,000, to remain available until September 30, 2031, for the purpose of executing the secure cloud architecture activities, migration advisory services, and cloud threat hunting capabilities of the Cybersecurity and Infrastructure Security Agency.

(g) Industrial Control Systems Security.—In addition to amounts otherwise made available, there is appropriated to the Cybersecurity and Infrastructure Security Agency for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$50,000,000, to remain available until September 30, 2031, for the purpose of researching and developing the means by

1 which to secure operational technology and industrial control systems against security
2 vulnerabilities (as such term is defined in section 102(17) of the Cybersecurity Information
3 Sharing Act of 2015 (6 U.S.C. 1501(17)).

4 **SEC. 50002. CYBERSECURITY ASSISTANCE.**

5 (a) State and Local Cybersecurity Recruitment and Training.—In addition to amounts
6 otherwise made available, there is appropriated for fiscal year 2022, out of any money in the
7 Treasury not otherwise appropriated, \$80,000,000, to remain available until September 30, 2031,
8 to the Administrator of the Federal Emergency Management Agency, in consultation with the
9 Cybersecurity and Infrastructure Security Agency, to award grants, contracts, or cooperative
10 agreements to State, local, Tribal, and territorial governments for cybersecurity recruitment and
11 training to enhance efforts to address cybersecurity risks (as defined in paragraph (2) of section
12 2201 of the Homeland Security Act) and cybersecurity threats (as defined in paragraph (3) of
13 section 2201 of the Homeland Security Act).

14 (b) Migration to .gov Domain.—In addition to amounts otherwise made available, there is
15 appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
16 \$20,000,000, to remain available until September 30, 2031, to the Administrator of the Federal
17 Emergency Management Agency, in consultation with the Cybersecurity and Infrastructure
18 Security Agency, to award grants, contracts, or cooperative agreements to State, local, Tribal,
19 and territorial governments to carry out activities to migrating the online services of such
20 governments to the .gov internet domain.

21 (c) Limitation.—The Administrator of the Federal Emergency Management Agency may not
22 use amounts appropriated under this section for activities under the National Flood Insurance Act
23 of 1968 or a function of the Federal Emergency Management Agency relating to that Act.

24 **SEC. 50003. NONPROFIT SECURITY GRANT PROGRAM.**

25 (a) High-risk Urban Areas.—In addition to amounts otherwise available, there is appropriated,
26 out of any money in the Treasury not otherwise appropriated, \$50,000,000, to remain available
27 until ~~expended~~ **September 30, 2031**, to the Administrator of Federal Emergency Management
28 Agency for the Nonprofit Security Grant Program for grants to nonprofits under the Urban Area
29 Security Initiative.

30 (b) Other Areas.—In addition to amounts otherwise available, there is appropriated, out of any
31 money in the Treasury not otherwise appropriated, \$50,000,000, to remain available until
32 ~~expended~~ **September 30, 2031**, to the Administrator of the Federal Emergency Management
33 Agency for the Nonprofit Security Grant Program for grants to nonprofits under the State
34 Homeland Security Grant Program.

35 (c) Limitation.—The Administrator of the Federal Emergency Management Agency may not
36 use amounts appropriated under this section for activities under the National Flood Insurance Act
37 of 1968 or a function of the Federal Emergency Management Agency relating to that Act.

38 **SEC. 50004. OFFICE OF CHIEF READINESS SUPPORT** 39 **OFFICER.**

40 In addition to the amounts otherwise available, there is appropriated to the Secretary of

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- 1 Homeland Security for fiscal year 2022, out of any money in the Treasury not otherwise
- 2 appropriated, \$900,000,000, to remain available until September 30, 2028, for the Office of the
- 3 Chief Readiness Support Officer to carry out sustainability and environmental programs.

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TITLE VI—COMMITTEE ON THE JUDICIARY

Subtitle A—Immigration Provisions

SEC. 60001. ~~REGISTRY. PROTECTIONS AND WORK~~ **PERMITS.**

~~(a) In General.—Section 249(a)~~ **In General.—The Secretary of Homeland Security shall—**

(1) under section 212(d)(5) of the Immigration and Nationality Act (8 U.S.C. 1259) is amended— 1182(d)(5)) and consistent with this section, parole into the United States for a period of 5 years or until September 30, 2031, whichever is earlier, an alien described in subsection (b), if such alien—

~~(1) in the heading, by striking “1972”; and inserting “2010”; and~~

~~(2) in paragraph (a), by striking “1972” and inserting “2010”.~~

~~(b) Fees.—In addition to any administrative processing fee collected in connection with an application described in section 249 of the Immigration and Nationality Act (8 U.S.C. 1259), the Secretary of Homeland Security shall collect, in the case of any alien who entered the United States during the period beginning on January 1, 1972, and ending on December 31, 2009, a supplemental fee of \$1,500 in connection with each such application.~~

~~(c) Effective Date.—This section and the amendments made by this section shall take effect on the earlier of the date that is—~~

~~(1) 180 days~~ **(A) files an application for parole after the date of the enactment of this Act; or section;**

~~(2) May 1, 2022.~~ **(B) pays an administrative fee in an amount sufficient to cover the cost of processing the application; and**

(C) completes security and law enforcement background checks to the satisfaction of the Secretary; and

(2) for the period during which an alien is paroled into the United States under paragraph (1) and any period in which such parole is extended under subsection (c)—

(A) provide employment and travel authorization to such alien; and

(B) deem such alien eligible for a driver’s license or identification card under section 202 of the REAL ID Act of 2005 (division B of Public Law 109–13; 49 U.S.C. 30301 note).

(b) Aliens Described.—An alien is described in this subsection if the alien—

(1) before January 1, 2011—

(A) was inspected and admitted to the United States;

(B) entered the United States without inspection; or

1 **(C) was paroled into the United States;**

2 **(2) has continuously resided in the United States since such entry; and**

3 **(3) is not inadmissible pursuant to paragraph (2), (3), (6)(E), (8), (10)(A), (10)(C), or**
4 **(10)(D) of section 212(a) of the Immigration and Nationality Act (8 U.S.C. 1182(a)).**

5 **(c) Extension.**—Consistent with the requirements under subsection (a), and based on the
6 policies and implementing guidance issued pursuant to this section and in effect when
7 parole was initially granted to the alien under this section, the Secretary of Homeland
8 Security shall extend a grant of parole for an alien described in subsection (b) from the
9 date the initial parole period expires until September 30, 2031.

10 **(d) Revocation.**—The Secretary of Homeland Security may not revoke parole granted to
11 an alien under subsection (a) unless the Secretary determines that such alien is ineligible
12 for parole under subsection (b) based on the policies and implementing guidance in effect
13 when parole was initially granted to the alien under this section.

14 **(e) Clarifications.**—

15 **(1) IN GENERAL.**—An alien paroled under this section shall not be counted for
16 purposes of the calculation under section 201(c)(4) of the Immigration and Nationality
17 Act (8 U.S.C. 1151(c)(4)).

18 **(2) OTHER RELIEF.**—Nothing in this section shall limit the existing authority of the
19 Secretary of Homeland Security to provide administrative or statutory relief to aliens
20 on an individual or class-wide basis.

21 **(f) Confidentiality of Information.**—The Secretary of Homeland Security may not
22 disclose information provided in any application filed under this section to U.S.
23 Immigration and Customs Enforcement, U.S. Customs and Border Protection, or any
24 designee of either such entity or use such information for purposes of immigration
25 enforcement.

26 **(g) Interim Rules.**—Not later than 90 days after the date of the enactment of this section,
27 the Secretary of Homeland Security shall publish in the Federal Register, interim final
28 rules implementing this section and shall, not later than 90 days after such rules are
29 published, begin accepting and adjudicating applications for parole under subsection
30 **(a)(1)(A).**

31 **SEC. 60002. RECAPTURE OF UNUSED IMMIGRANT VISA** 32 **NUMBERS.**

33 **(a) Ensuring Future Use of All Immigrant Visas.**—Section 201(c)(1)(B)(ii) of the Immigration
34 and Nationality Act (8 U.S.C. 1151(c)(1)(B)(ii)) is amended to read as follows:

35 “(ii) In no case shall the number computed under subparagraph (A) be less than
36 the sum of—

37 “(I) 226,000; and

38 “(II) the number computed under paragraph (3).”.

39 **(b) Recapturing Unused Visas.**—Section 201 of the Immigration and Nationality Act (8

1 U.S.C. 1151) is amended by adding at the end the following:

2 “(g) Recapturing Unused Visas.—

3 “(1) FAMILY-SPONSORED VISAS.—

4 “(A) IN GENERAL.—Notwithstanding the numerical limitations set forth in this
5 section or in sections 202 or 203, beginning in fiscal year 2022, the number of
6 family-sponsored immigrant visas that may be issued under section 203(a) shall be
7 increased by the number computed under subparagraph (B).

8 “(B) UNUSED VISAS.—The number computed under this subparagraph is the
9 difference, if any, between—

10 “(i) the difference, if any, between—

11 “(I) the number of visas that were originally made available to
12 family-sponsored immigrants under section 201(c)(1) for fiscal years 1992
13 through 2021, setting aside any unused visas made available to such
14 immigrants in such fiscal years under section 201(c)(3); and

15 “(II) the number of visas described in subclause (I) that were issued under
16 section 203(a), or, in accordance with section 201(d)(2)(C), under section
17 203(b); and

18 “(ii) the number of visas resulting from the calculation under clause (i) issued
19 under section 203(a) after fiscal year 2021.

20 “(2) EMPLOYMENT-BASED VISAS.—

21 “(A) IN GENERAL.—Notwithstanding the numerical limitations set forth in this
22 section or in sections 202 or 203, beginning in fiscal year 2022, the number of
23 employment-based immigrant visas that may be issued under section 203(b) shall be
24 increased by the number computed under subparagraph (B).

25 “(B) UNUSED VISAS.—The number computed under this paragraph is the difference,
26 if any, between—

27 “(i) the difference, if any, between—

28 “(I) the number of visas that were originally made available to
29 employment-based immigrants under section 201(d)(1) for fiscal years 1992
30 through 2021, setting aside any unused visas made available to such
31 immigrants in such fiscal years under section 201(d)(2); and

32 “(II) the number of visas described in subclause (I) that were issued under
33 section 203(b), or, in accordance with section 201(c)(3)(C), under section
34 203(a); and

35 “(ii) the number of visas resulting from the calculation under clause (i) issued
36 under section 203(b) after fiscal year 2021.

37 “(3) DIVERSITY VISAS.—Notwithstanding section 204(a)(1)(I)(ii)(II), an immigrant visa
38 for an alien selected in accordance with section 203(e)(2) in fiscal year 2017, 2018, 2019,
39 2020, or 2021 shall remain available to such alien (and the spouse and children of such
40 alien) if—

1 “(A) the alien was refused a visa, prevented from seeking admission, or denied
2 admission to the United States solely because of Executive Order 13769, Executive
3 Order 13780, Presidential Proclamation 9645, or Presidential Proclamation 9983; or

4 “(B) because of restrictions or limitations on visa processing, visa issuance, travel,
5 or other effects associated with the COVID–19 public health emergency—

6 “(i) the alien was unable to receive a visa interview despite submitting an
7 Online Immigrant Visa and Alien Registration Application (Form DS–260) to the
8 Secretary of State; or

9 “(ii) the alien was unable to seek admission or was denied admission to the
10 United States despite being approved for a visa under section 203(c).”.

11 SEC. 60003. ADJUSTMENT OF STATUS.

12 Section 245 of the Immigration and Nationality Act (8 U.S.C. 1255) is amended by adding at
13 the end the following:

14 “(n) Visa Availability.—

15 “(1) IN GENERAL.—Notwithstanding subsection (a)(3), the Secretary of Homeland
16 Security may accept for filing an application for adjustment of status from an alien (and the
17 spouse and children of such alien), if such alien—

18 “(A) is the beneficiary of an approved petition under section 204(a)(1);

19 “(B) pays a supplemental fee of \$1,500, plus \$250 for each derivative beneficiary;
20 and

21 “(C) is otherwise eligible for such adjustment.

22 “(2) EXEMPTION.—The Secretary of ~~State~~ **Homeland Security** shall exempt an alien (and
23 the spouse and children of such alien) from the numerical limitations described in sections
24 201, 202, and 203, and the Secretary of Homeland Security may adjust the status of such
25 alien (and the spouse and children of such alien) to lawful permanent resident, if such alien
26 submits or has submitted an application for adjustment of status and—

27 “(A) such alien—

28 “(i) is the beneficiary of an approved petition under subparagraph (A)(i) or
29 (B)(i)(I) of section 204(a)(1) that bears a priority date that is more than 2 years
30 before the date the alien requests an exemption from the numerical limitations;
31 and

32 “(ii) pays a supplemental fee of \$2,500;

33 “(B) such alien—

34 “(i) is the beneficiary of an approved petition under subparagraph (E) or (F) of
35 section 204(a)(1) that bears a priority date that is more than 2 years before the
36 date the alien requests an exemption from the numerical limitations; and

37 “(ii) pays a supplemental fee of \$5,000; or

38 “(C) such alien—

1 “(i) is the beneficiary of an approved petition under subparagraph (H) of
2 section 204(a)(1) that bears a priority date that is more than 2 years before the
3 date the alien requests an exemption from the numerical limitations; and

4 “(ii) pays a supplemental fee of \$50,000.

5 “(3) EFFECTIVE DATE.—

6 “(A) IN GENERAL.—The provisions of this subsection—

7 “(i) shall take effect on the earlier of the date that is—

8 “(I) 180 days after the date of the enactment of this subsection; or

9 “(II) May 1, 2022; and

10 “(ii) except as provided in subparagraph (B), shall cease to have effect on
11 September 30, 2031.

12 “(B) CONTINUATION.—Paragraph (2) shall continue in effect with respect to an alien
13 who requested an exemption of the numerical limitations and paid the requisite fee
14 prior to the date described in subparagraph (A)(ii), until the Secretary of Homeland
15 Security renders a final administrative decision on such application.”.

16 SEC. 60004. ADDITIONAL SUPPLEMENTAL FEES.

17 (a) Treasury.—The fees described in this section, section 60001, and section 245(n) of the
18 Immigration and Nationality Act, as added by this subtitle—

19 (1) shall be deposited in the general fund of the Treasury; and

20 (2) may not be waived, in whole or in part, ~~by the Secretary of Homeland Security.~~

21 (b) Immigrant Visa Petitions.—In addition to any other fee collected in connection with a
22 petition described in this subsection, the Secretary of Homeland Security shall collect a
23 supplemental fee in the amount of—

24 (1) \$100 in connection with each petition filed under—

25 (A) section 204(a)(1)(A)(i) of the Immigration and Nationality Act (8 U.S.C.
26 1154(a)(1)(A)(i)) for classification by reason of a relationship described under
27 paragraph (1), (3), or (4) of section 203(a) of such Act (8 U.S.C. 1153(a)); and

28 (B) section 204(a)(1)(B)(i)(I) of such Act (8 U.S.C. 1154(a)(1)(B)(i)(I));

29 (2) \$800 in connection with each petition filed under subparagraph (E) or (F) of section
30 204(a)(1) of the Immigration and Nationality Act (8 U.S.C. 1154(a)(1)); and

31 (3) \$15,000 in connection with each petition filed under subparagraph (H) of section
32 204(a)(1) of the Immigration and Nationality Act (8 U.S.C. 1154(a)(1)).

33 (c) Form I-94 or Form I-94W.—The Secretary of Homeland Security shall collect from each
34 individual who is admitted to the United States as a nonimmigrant, and is issued an electronic or
35 paper arrival/departure record (Form I-94 or Form I-94W, or any successor form), a fee of \$19.

36 (d) Student and Exchange Visitors.—In addition to any other fee collected from an approved
37 institution of higher education, other approved educational institution, or designated exchange

1 visitor program in the United States, in connection with nonimmigrants described in
2 subparagraph (F), (J), or (M) of section 101(a)(15) of the Immigration and Nationality Act (8
3 U.S.C. 1101(a)(15)) enrolled in such institution or program, the Secretary of Homeland Security
4 shall collect a supplemental fee of \$250 for each such nonimmigrant.

5 (e) Permanent Resident Card Replacement.—In addition to any other fee collected in
6 connection with each Application to Replace Permanent Resident Card (Form I-90, or any
7 successor form), filed for purposes of replacing an expired or expiring permanent resident card,
8 the Secretary of Homeland Security shall collect a supplemental fee of \$500.

9 (f) Nonimmigrant Visa Petitions.—In addition to any other fee collected in connection with a
10 petition filed under section 214 of the Immigration and Nationality Act (8 U.S.C. 1184), the
11 Secretary of Homeland Security shall collect a supplemental fee of \$500 in connection with each
12 such petition for classification as a nonimmigrant under subparagraph (E), (H)(i)(b), (L), (O), or
13 (P) of section 101(a)(15) of such Act (8 U.S.C. 1101(a)(15)).

14 (g) Extend/change Status.—In addition to any other fee collected in connection with each
15 Application to Extend/Change Nonimmigrant Status (Form I-539, or any successor form), the
16 Secretary of Homeland Security shall collect a supplemental fee of \$500.

17 (h) Employment Authorization.—In addition to any other fee collected in connection with an
18 application for employment authorization (Form I-765, or any successor form), the Secretary of
19 Homeland Security shall collect a supplemental fee of \$500 for each such application filed by an
20 individual seeking such authorization as—

21 (1) the spouse of a nonimmigrant described in subparagraph (E), (H), or (L) of section
22 101(a)(15) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15));

23 (2) a nonimmigrant described in section 101(a)(15)(F) of such Act (8 U.S.C.
24 1101(a)(15)(F)) to engage in optional practical training; or

25 (3) as an applicant for adjustment of status under section 245(a) of such Act (8 U.S.C.
26 1255(a)).

27 ~~(i) Nonimmigrant Visas.—In addition to any other fee collected in connection with the~~
28 ~~issuance of a nonimmigrant visa, the Secretary of State shall collect a supplemental fee in the~~
29 ~~amount of \$75 in connection with each such visa that is issued for a classification under section~~
30 ~~101(a)(15) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)).~~

31 (j) Effective Date.—The fees authorized by this section shall take effect on the earlier of the
32 date that is—

33 (1) 180 days after the date of the enactment of this Act; and

34 (2) May 1, 2022.

35 SEC. 60005. U.S. CITIZENSHIP AND IMMIGRATION 36 SERVICES.

37 In addition to amounts otherwise available, there is appropriated to U.S. Citizenship and
38 Immigration Services for fiscal year 2022, out of any money in the Treasury not otherwise
39 appropriated, \$2,800,000,000, to remain available until expended, for the purpose of increasing
40 the capacity of U.S. Citizenship and Immigration Services to adjudicate efficiently applications

1 described in sections 249 of the Immigration and Nationality Act (8 U.S.C. 1259), as amended
2 by section 60001 of this Act, and section 245(n) of the Immigration and Nationality Act (8
3 U.S.C. 1255(n)), as added by 60003 of this Act, and to reduce case processing backlogs.

4 Subtitle B—Community Violence Prevention

5 SEC. 61001. FUNDING FOR COMMUNITY-BASED 6 VIOLENCE INTERVENTION INITIATIVES.

7 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
8 Attorney General for fiscal year 2022, out of any money in the Treasury not otherwise
9 appropriated, \$2,500,000,000, to remain available until September 30, 2031, for the purposes
10 described in subsection (b).

11 (b) Use of Funding.—The Attorney General, acting through the Assistant Attorney General of
12 the Office of Justice Programs, the Director of the Office of Community Oriented Policing
13 Services, and the Director of the Office on Violence Against Women, shall use amounts
14 appropriated by subsection (a)—

15 (1) to award competitive grants or contracts to units of local government, States, the
16 District of Columbia, Indian Tribes, nonprofit community-based organizations, victim
17 services providers, or other entities as determined by the Attorney General, to support
18 evidence-informed intervention strategies to reduce community violence;

19 (2) to support training, technical assistance, research, evaluation, and data collection on
20 strategies to effectively reduce community violence and ensure public safety; and

21 (3) to support research, evaluation, and data collection on the differing impact of
22 community violence on demographic categories.

23 Subtitle C—Antitrust

24 SEC. 62001. ANTITRUST DIVISION.

25 In addition to amounts otherwise available, there is appropriated to the Attorney General for
26 fiscal year 2022, out of any money in the Treasury not otherwise appropriated, ~~\$900,000,000~~
27 **\$500,000,000**, to remain available until September 30, 2031, for necessary expenses for the
28 Department of Justice Antitrust Division for carrying out work of the Division related to
29 competition or enforcement of the antitrust laws.

30 SEC. 62002. FEDERAL TRADE COMMISSION FUNDING 31 FOR UNFAIR COMPETITION AND ANTITRUST 32 ENFORCEMENT WORK.

33 In addition to amounts otherwise available, there is appropriated to the Federal Trade
34 Commission for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
35 ~~\$100,000,000~~ **\$500,000,000** to remain available until September 30, 2031, for carrying out work
36 of the Commission related to unfair methods of competition or enforcement of the antitrust laws.

1 **Subtitle D—Revenue Matters**

2 **SEC. 63001. ADDITIONAL APPROPRIATION FOR**
3 **ENFORCEMENT RELATING TO FEDERAL INCOME**
4 **TAX EVASION.**

5 **In addition to amounts otherwise available, there is appropriated to the Attorney**
6 **General for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,**
7 **\$498,000,000, to remain available until September 30, 2030, for necessary expenses for the**
8 **Department of Justice Tax Division for purposes of enforcing Federal laws against tax**
9 **evasion, including by pursuing civil cases or prosecuting criminal violations.**

House Office of Legislative Counsel

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TITLE VII—COMMITTEE ON NATURAL RESOURCES

Subtitle A—Native American and Native Hawaiian Affairs

SEC. 70101. TRIBAL CLIMATE RESILIENCE.

(a) Tribal Climate Resilience and Adaptation.—In addition to amounts otherwise available, there is appropriated to the Director of the Bureau of Indian Affairs for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$441,000,000, to remain available until September 30, 2031, for Tribal climate resilience and adaptation programs.

(b) Bureau of Indian Affairs Fish Hatcheries.—In addition to amounts otherwise available, there is appropriated to the Director of the Bureau of Indian Affairs for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$19,600,000, to remain available until September 30, 2031, for fish hatchery operations and maintenance programs of the Bureau of Indian Affairs.

(c) Administration.—In addition to amounts otherwise available, there is appropriated to the Director of the Bureau of Indian Affairs for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$9,400,000, to remain available until September 30, 2031, for the administrative costs of carrying out this section. None of the funds provided by this section shall be subject to cost-sharing or matching requirements

(d) Small and Needy Program.—Amounts made available under this section shall be excluded from the calculation of funds received by those Tribal governments that participate in the “Small and Needy” program.

(e) Distribution; Use of Funds.—Amounts made available under this section that are distributed to Indian Tribes and Tribal organizations— **organizations for services pursuant to a self-determination contract (as defined in subsection (j) of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304(j))) or a self-governance compact entered into pursuant to subsection (a) of section 404 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5364(a))**—

(1) shall be distributed on a 1-time basis;

~~and~~(2) **shall not be part of the amount required by subsections (a) through (b) of section 106 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5325(a)–(b)); and**

~~(2)~~(3) shall only be used for the purposes identified under the applicable subsection.

SEC. 70102. NATIVE HAWAIIAN CLIMATE RESILIENCE.

(a) Native Hawaiian Climate Resilience and Adaptation.—In addition to amounts otherwise available, there is appropriated to the Senior Program Director of the Office of Native Hawaiian Relations for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$49,000,000, to remain available until September 30, 2031, to carry out, through financial assistance, technical assistance, direct expenditure, grants, contracts, or cooperative agreements, climate resilience and adaptation activities that serve the Native Hawaiian Community.

1 (b) Administration.—In addition to amounts otherwise available, there is appropriated to the
2 Senior Program Director of the Office of Native Hawaiian Relations for fiscal year 2022, out of
3 any money in the Treasury not otherwise appropriated, \$1,000,000, to remain available until
4 September 30, 2031, for the administrative costs of carrying out this section. None of the funds
5 provided by this section shall be subject to cost-sharing or matching requirements.

6 SEC. 70103. TRIBAL ELECTRIFICATION PROGRAM.

7 (a) Tribal Electrification Program.—In addition to amounts otherwise available, there is
8 appropriated to the Director of the Bureau of Indian Affairs for fiscal year 2022, out of any
9 money in the Treasury not otherwise appropriated, \$294,000,000, to remain available until
10 September 30, 2031, for—

- 11 (1) the provision of electricity to unelectrified Tribal homes through renewable energy
12 systems;
- 13 (2) transitioning electrified Tribal homes to renewable energy systems; and
- 14 (3) associated home repairs and retrofitting necessary to install the renewable energy
15 systems authorized under paragraphs (1) and (2).

16 (b) Administration.—In addition to amounts otherwise available, there is appropriated to the
17 Director of the Bureau of Indian Affairs for fiscal year 2022, out of any money in the Treasury
18 not otherwise appropriated, \$6,000,000, to remain available until September 30, 2031, for the
19 administrative costs of carrying out this section.

20 (c) Small and Needy Program.—Amounts made available under this section shall be excluded
21 from the calculation of funds received by those Tribal governments that participate in the “Small
22 and Needy” program.

23 (d) Distribution; Use of Funds.—Amounts made available under this section that are
24 distributed to Indian Tribes and Tribal ~~organizations~~— **organizations for services pursuant to**
25 **a self-determination contract (as defined in subsection (j) of section 4 of the Indian**
26 **Self-Determination and Education Assistance Act (25 U.S.C. 5304(j)) or a self-governance**
27 **compact entered into pursuant to subsection (a) of section 404 of the Indian**
28 **Self-Determination and Education Assistance Act (25 U.S.C. 5364(a))—**

29 (1) shall be distributed on a 1-time basis;

30 ~~and~~(2) shall not be part of the amount required by subsections (a) through (b) of
31 section 106 of the Indian Self-Determination and Education Assistance Act (25 U.S.C.
32 5325(a)–(b)); and

33 (2)(3) shall only be used for the purposes identified under the applicable subsection.

34 SEC. 70104. EMERGENCY DROUGHT RELIEF FOR 35 TRIBES.

36 In addition to amounts otherwise available, there is appropriated to the Commissioner of the
37 Bureau of Reclamation for fiscal year 2022, out of any money in the Treasury not otherwise
38 appropriated, \$25,000,000, to remain available until September 30, 2026, for near-term drought
39 relief actions to mitigate drought impacts for Indian Tribes that are impacted by the operation of

1 a Bureau of Reclamation water project, including through direct financial assistance to address
2 drinking water shortages and to mitigate the loss of Tribal trust resources.

3 SEC. 70105. NATIVE AMERICAN CONSULTATION 4 RESOURCE CENTER.

5 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
6 Secretary of the Interior for fiscal year 2022, out of any money in the Treasury not otherwise
7 appropriated, \$33,000,000, to remain available until September 30, 2031, to establish and
8 administer a Native American Consultation Resource Center (the authority for which shall expire
9 on September 30, 2031) to provide training and technical assistance to support Federal
10 consultation and coordination responsibilities relating to—

- 11 (1) the protection of the natural and cultural resources of Native Americans;
- 12 (2) land use planning and development that impacts ~~Indian Tribes~~ **Tribal Governments,**
13 **Alaska Native Corporations,** and the Native Hawaiian Community; and
- 14 (3) infrastructure projects that impact ~~Indian Tribes~~ **Tribal Governments, Alaska**
15 **Native Corporations,** and the Native Hawaiian Community.

16 (b) Definition.—In this section,~~the~~:

17 (1) **ALASKA NATIVE CORPORATION.**—**The term “Alaska Native Corporation” has the**
18 **meaning given the term in subsection (m) of section 3 of the Alaska Native Claims**
19 **Settlement Act (43 U.S.C. 1602(m)).**

20 (2) **NATIVE AMERICAN.**—**The term “Native American” means—**

- 21 ~~(1) an Indian;~~**(A) an Indian (as defined in subsection (d) of section 4 of the**
22 **Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304(d))**);
- 23 ~~(2)(B) a Native Hawaiian (as defined in paragraph item (10) of section 2 of the~~
24 ~~Native American Graves Protection and Repatriation Act (25 U.S.C. 3001))~~**(10))**; and
- 25 ~~(3)(C) a Native (as defined in subsection (b) of section 3 of the Alaska Native~~
26 ~~Claims Settlement Act (43 U.S.C. 1602))~~.
- 27 (b)).

28 (3) **TRIBAL GOVERNMENT.**—**The term “Tribal Government” means the recognized**
29 **governing body of any Indian or Alaska Native tribe, band, nation, pueblo, village,**
30 **community, component band, or component reservation, individually identified**
31 **(including parenthetically) in the list published most recently as of the date of**
32 **enactment of this paragraph pursuant to section 104 of the Federally Recognized**
33 **Indian Tribe List Act of 1994 (25 U.S.C. 5131).**

34 SEC. 70106. INDIAN HEALTH SERVICE.

35 (a) Maintenance and Improvement.—In addition to amounts otherwise available, there is
36 appropriated to the Director of the Indian Health Service for fiscal year 2022, out of any money
37 in the Treasury not otherwise appropriated, \$945,000,000, to remain available until September
38 30, 2031, for maintenance and improvement of facilities operated by the Indian Health Service or

1 ~~an Indian Tribe or Tribal organization.~~ **pursuant to a self-determination contract (as defined**
2 **in subsection (j) of section 4 of the Indian Self-Determination and Education Assistance Act**
3 **(25 U.S.C. 5304(j)) or a self-governance compact entered into pursuant to subsection (a) of**
4 **section 404 of the Indian Self-Determination and Education Assistance Act (25 U.S.C.**
5 **5364(a)).**

6 (b) Mental Health and Substance Use Disorders.—In addition to amounts otherwise available,
7 there is appropriated to the Director of the Indian Health Service for fiscal year 2022, out of any
8 money in the Treasury not otherwise appropriated, \$123,716,000, to remain available until
9 September 30, 2031, for mental health and substance use prevention and treatment services,
10 including facility renovation, construction, or expansion relating to mental health and substance
11 use prevention and treatment services.

12 (c) Priority Health Care Facilities.—In addition to amounts otherwise available, there is
13 appropriated to the Director of the Indian Health Service for fiscal year 2022, out of any money
14 in the Treasury not otherwise appropriated, \$1,000,000,000, to remain available until September
15 30, 2031, for projects identified through the health care facility priority system **established and**
16 **maintained pursuant to subparagraph (A) of paragraph (1) of subsection (c) of section 301**
17 **of the Indian Health Care Improvement Act (25 U.S.C. 1631(c)(1)(A)).**

18 (d) Small Ambulatory.—In addition to amounts otherwise available, there is appropriated to
19 the Director of the Indian Health Service for fiscal year 2022, out of any money in the Treasury
20 not otherwise appropriated, \$40,000,000, to remain available until September 30, 2031, for small
21 ambulatory construction.

22 (e) Urban Indian Organizations.—In addition to amounts otherwise available, there is
23 appropriated to the Director of the Indian Health Service for fiscal year 2022, out of any money
24 in the Treasury not otherwise appropriated, \$100,000,000, to remain available until September
25 30, 2031, for, **notwithstanding the restrictions described in section 509 of the Indian Health**
26 **Care Improvement Act (25 U.S.C. 1659),** the renovation, construction, expansion, equipping,
27 and improvement of facilities owned or leased by an Urban Indian organization (**as defined in**
28 **item (29) of section 4 of that Act (25 U.S.C. 1603(29))**).

29 (f) Epidemiology Centers.—In addition to amounts otherwise available, there is appropriated
30 to the Director of the Indian Health Service for fiscal year 2022, out of any money in the
31 Treasury not otherwise appropriated, \$25,000,000, to remain available until September 30, 2031,
32 for the epidemiology centers **established under paragraphs (1) through (2) of subsection (a)**
33 **of section 214 of the Indian Health Care Improvement Act (25 U.S.C. 1621m(a)(1)–(2)).**

34 (g) Environmental Health and Facilities Support Activities.—In addition to amounts otherwise
35 available, there is appropriated to the Director of the Indian Health Service for fiscal year 2022,
36 out of any money in the Treasury not otherwise appropriated, \$113,284,000, to remain available
37 until September 30, 2031, for environmental health and facilities support activities of the Indian
38 Health Service.

39 (h) Distribution; Use of Funds.—Amounts appropriated under this section that are distributed
40 to Indian Tribes and Tribal ~~organizations~~ **organizations for services pursuant to a**
41 **self-determination contract (as defined in subsection (j) of section 4 of the Indian**
42 **Self-Determination and Education Assistance Act (25 U.S.C. 5304(j)) or a self-governance**
43 **compact entered into pursuant to subsection (a) of section 404 of the Indian**

1 **Self-Determination and Education Assistance Act (25 U.S.C. 5364(a))—**

2 (1) shall be distributed on a 1-time basis;

3 ~~and~~(2) shall not be part of the amount required by subsections (a) through (b) of
4 **section 106 of the Indian Self-Determination and Education Assistance Act (25 U.S.C.**
5 **5325(a)–(b)); and**

6 ~~(2)~~(3) shall only be used for the purposes identified under the applicable subsection.

7 **SEC. 70107. TRIBAL PUBLIC SAFETY.**

8 (a) Public Safety and Justice.—In addition to amounts otherwise available, there is
9 appropriated to the Assistant Secretary for Indian Affairs for fiscal year 2022, out of any money
10 in the Treasury not otherwise appropriated, \$490,000,000, to remain available until September
11 30, 2031, for public safety and justice programs and construction.

12 (b) Administration.—In addition to amounts otherwise available, there is appropriated to the
13 Assistant Secretary for Indian Affairs for fiscal year 2022, out of any money in the Treasury not
14 otherwise appropriated, \$10,000,000, to remain available until September 30, 2031, for the
15 administrative costs of carrying out this section.

16 (c) Small and Needy Program.—Amounts made available under this section shall be excluded
17 from the calculation of funds received by those Tribal governments that participate in the “Small
18 and Needy” program.

19 (d) Distribution; Use of Funds.—Amounts made available under this section that are
20 distributed to Indian Tribes and Tribal ~~organizations~~— **organizations for services pursuant to**
21 **a self-determination contract (as defined in subsection (j) of section 4 of the Indian**
22 **Self-Determination and Education Assistance Act (25 U.S.C. 5304(j))) or a self-governance**
23 **compact entered into pursuant to subsection (a) of section 404 of the Indian**
24 **Self-Determination and Education Assistance Act (25 U.S.C. 5364(a))—**

25 (1) shall be distributed on a 1-time basis;

26 ~~and~~(2) shall not be part of the amount required by subsections (a) through (b) of
27 **section 106 of the Indian Self-Determination and Education Assistance Act (25 U.S.C.**
28 **5325(a)–(b)); and**

29 ~~(2)~~(3) shall only be used for the purposes identified under the applicable subsection.

30 **SEC. 70108. BUREAU OF INDIAN AFFAIRS AND TRIBAL**
31 **ROADS.**

32 (a) Roads.—In addition to amounts otherwise available, there is appropriated to the Director
33 of the Bureau of Indian Affairs for fiscal year 2022, out of any money in the Treasury not
34 otherwise appropriated, \$715,400,000, to remain available until September 30, 2026, for the
35 Bureau of Indian Affairs Road System and Tribal transportation ~~facilities~~— **facilities (as defined**
36 **in paragraph (31) of subsection (a) of section 101 of title 23, United States Code)—**

37 (1) for road maintenance;

38 (2) for planning, design, construction, and reconstruction activities; and

1 (3) to address the deferred road maintenance backlog at the Bureau of Indian Affairs.

2 (b) Administration.—In addition to amounts otherwise available, there is appropriated to the
3 Director of the Bureau of Indian Affairs for fiscal year 2022, out of any money in the Treasury
4 not otherwise appropriated, \$14,600,000, to remain available until September 30, 2026, for the
5 administrative costs of carrying out this section.

6 Subtitle B—National Oceanic and Atmospheric Administration
7 SEC. 70201. INVESTING IN COASTAL COMMUNITIES
8 AND CLIMATE RESILIENCE.

9 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
10 National Oceanic and Atmospheric Administration for fiscal year 2022, out of any money in the
11 Treasury not otherwise appropriated, \$6,000,000,000, to remain available until September 30,
12 2026, to provide funding through direct expenditure, contracts, grants, cooperative agreements,
13 or technical assistance to coastal states (as defined in paragraph (4) of section 304 of the Coastal
14 Zone Management Act of 1972 (16 U.S.C. 1453(4))), the District of Columbia, ~~Indian Tribes~~
15 **Tribal Governments**, nonprofit organizations, local governments, and institutions of higher
16 education (as defined in subsection (a) of section 101 of the Higher Education Act of 1965 (20
17 U.S.C. 1001(a))), for the conservation, restoration, and protection of coastal and marine habitats
18 and resources, including fisheries, to enable coastal communities to prepare for extreme storms
19 and other changing climate conditions, and for projects that support natural resources that sustain
20 coastal and marine resource dependent communities, and for related administrative expenses.
21 None of the funds provided by this section shall be subject to cost-sharing or matching
22 requirements.

23 (b) Tribal Government Defined.—In this section, the term “Tribal Government” means
24 the recognized governing body of any Indian or Alaska Native tribe, band, nation, pueblo,
25 village, community, component band, or component reservation, individually identified
26 (including parenthetically) in the list published most recently as of the date of enactment of
27 this subsection pursuant to section 104 of the Federally Recognized Indian Tribe List Act of
28 1994 (25 U.S.C. 5131).

29 SEC. 70202. PACIFIC SALMON RESTORATION AND
30 CONSERVATION.

31 In addition to amounts otherwise available, there is appropriated to the National Oceanic and
32 Atmospheric Administration for fiscal year 2022, out of any money in the Treasury not
33 otherwise appropriated, \$1,000,000,000, to remain available until September 30, 2026, for the
34 purposes of supporting the restoration and conservation of Pacific salmon and steelhead
35 populations and the habitat of those populations, including by improving climate resilience and
36 climate adaptation, and for related administrative expenses.

37 SEC. 70203. MARINE FISHERIES INFRASTRUCTURE.

38 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
39 National Oceanic and Atmospheric Administration for fiscal year 2022, out of any money in the
40 Treasury not otherwise appropriated, \$400,000,000, to remain available until September 30,

1 2026, for grants to States and ~~Indian Tribes~~ **Tribal Governments**, to repair, replace, and upgrade
2 hatchery infrastructure for the production of a fishery (as defined in paragraph (13) of section 3
3 of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802(13))) that
4 is included in a fishery management plan or plan amendment approved by the Secretary of
5 Commerce under subsection (a) of section 301 of the Magnuson-Stevens Fishery Conservation
6 and Management Act (16 U.S.C. 1851(a)), and for related administrative expenses.

7 **(b) Tribal Government.**—In this section, the term “Tribal Government” means the
8 recognized governing body of any Indian or Alaska Native tribe, band, nation, pueblo,
9 village, community, component band, or component reservation, individually identified
10 (including parenthetically) in the list published most recently as of the date of enactment of
11 this subsection pursuant to section 104 of the Federally Recognized Indian Tribe List Act of
12 1994 (25 U.S.C. 5131).

13 SEC. 70204. MARINE FISHERIES AND MARINE 14 MAMMAL STOCK ASSESSMENTS, SURVEYS, AND 15 RESEARCH AND MANAGEMENT.

16 In addition to amounts otherwise available, there is appropriated to the National Oceanic and
17 Atmospheric Administration for fiscal year 2022, out of any money in the Treasury not
18 otherwise appropriated, \$500,000,000, to remain available until September 30, 2026, for
19 purposes of Federal fisheries management, marine fisheries conservation, and marine mammal
20 research, including fisheries and marine mammal stock assessments, marine fisheries data
21 collection, surveys, scientific research, and management, acquisition of electronic monitoring
22 equipment for fishery participants, transitional gear research, and ecosystem-based assessments
23 in support of marine fish species, including fisheries managed under section 303 of the
24 Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1853) and subsection
25 (a) of section 117 of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1386(a)).

26 SEC. 70205. FACILITIES OF THE NATIONAL OCEANIC 27 AND ATMOSPHERIC ADMINISTRATION AND 28 NATIONAL MARINE SANCTUARIES.

29 (a) National Oceanic and Atmospheric Administration Facilities.—In addition to amounts
30 otherwise available, there is appropriated to the National Oceanic and Atmospheric
31 Administration for fiscal year 2022, out of any money in the Treasury not otherwise
32 appropriated, \$300,000,000, to remain available until September 30, 2026, for the construction of
33 new facilities (including facilities in need of replacement) including piers, marine operations
34 facilities, **and** fisheries laboratories, ~~and other laboratory facilities.~~

35 (b) National Marine Sanctuaries Facilities.—In addition to amounts otherwise available, there
36 is appropriated to the National Oceanic and Atmospheric Administration for fiscal year 2022, out
37 of any money in the Treasury not otherwise appropriated, \$100,000,000, to remain available
38 until September 30, 2026, for the construction of facilities to support the National Marine
39 Sanctuary System established under subsection (c) of section 301 of the National Marine
40 Sanctuaries Act (16 U.S.C. 1431(c)).

1 SEC. 70206. NOAA EFFICIENT AND EFFECTIVE
2 REVIEWS.

3 In addition to amounts otherwise available, there is appropriated to the National Oceanic and
4 Atmospheric Administration for fiscal year 2022, out of any money in the Treasury not
5 otherwise appropriated, \$20,000,000, to remain available until September 30, 2026, to provide
6 for the development of more efficient, accurate, and timely reviews for planning, permitting and
7 approval processes through the hiring and training of personnel, the development of
8 programmatic documents, the procurement of technical or scientific services for reviews, the
9 development of environmental data or information systems, stakeholder and community
10 engagement, the purchase of new equipment for environmental analysis, and the development of
11 geographic information systems and other analysis tools, techniques, and guidance to improve
12 agency transparency, accountability, and public engagement.

13 SEC. 70207. SEAFOOD IMPORT MONITORING
14 PROGRAM.

15 In addition to amounts otherwise available, there is appropriated to the National Oceanic and
16 Atmospheric Administration for fiscal year 2022, out of any money in the Treasury not
17 otherwise appropriated, \$2,000,000, to remain available until September 30, 2026, to implement
18 the seafood import monitoring program of the National Oceanic and Atmospheric
19 Administration.

20 Subtitle C—United States Fish and Wildlife Service

21 SEC. 70301. ENDANGERED SPECIES ACT RECOVERY
22 PLANS.

23 In addition to amounts otherwise available, there is appropriated to the United States Fish and
24 Wildlife Service for fiscal year 2022, out of any money in the Treasury not otherwise
25 appropriated, \$180,000,000, to remain available until expended, for the purposes of developing
26 and implementing recovery plans under paragraphs (1), (3), and (4) of subsection (f) of section 4
27 of the Endangered Species Act of 1973 (16 U.S.C. 1533(f)).

28 SEC. 70302. ISLAND PLANT CONSERVATION.

29 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
30 United States Fish and Wildlife Service for fiscal year 2022, out of any money in the Treasury
31 not otherwise appropriated, \$4,850,000, to remain available until expended, to make direct
32 expenditures, award grants, and enter into contracts and cooperative agreements for the purposes
33 of conserving endangered species and threatened species of plants in the Hawaiian Islands and
34 the Pacific Island Territories of the United States under paragraphs (1), (3), and (4) of subsection
35 (f) of section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533(f)).

36 (b) Administrative Expenses.—In addition to amounts otherwise available, there is
37 appropriated to the United States Fish and Wildlife Service for fiscal year 2022, out of any
38 money in the Treasury not otherwise appropriated, \$150,000, **to remain available until**
39 **September 30, 2030**, for necessary administrative expenses associated with carrying out this

1 section.

2 SEC. 70303. POLLINATOR CONSERVATION.

3 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
4 United States Fish and Wildlife Service for fiscal year 2022, out of any money in the Treasury
5 not otherwise appropriated, \$4,850,000, to remain available until expended, to make direct
6 expenditures, award grants, and enter into contracts and cooperative agreements for the purposes
7 of conserving endangered species and threatened species of pollinators in the United States under
8 paragraphs (1), (3), and (4) of subsection (f) of section 4 of the Endangered Species Act of 1973
9 (16 U.S.C. 1533(f)).

10 (b) Administrative Expenses.—In addition to amounts otherwise available, there is
11 appropriated to the United States Fish and Wildlife Service for fiscal year 2022, out of any
12 money in the Treasury not otherwise appropriated, \$150,000, **to remain available until**
13 **September 30, 2030**, for necessary administrative expenses associated with carrying out this
14 section.

15 SEC. 70304. MUSSEL CONSERVATION.

16 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
17 United States Fish and Wildlife Service for fiscal year 2022, out of any money in the Treasury
18 not otherwise appropriated, \$4,850,000, to remain available until expended, to make direct
19 expenditures, award grants, and enter into contracts and cooperative agreements for the purposes
20 of conserving endangered species and threatened species of freshwater mussels in the United
21 States under paragraphs (1), (3), and (4) of subsection (f) of section 4 of the Endangered Species
22 Act of 1973 (16 U.S.C. 1533(f)).

23 (b) Administrative Expenses.—In addition to amounts otherwise available, there is
24 appropriated to the United States Fish and Wildlife Service for fiscal year 2022, out of any
25 money in the Treasury not otherwise appropriated, \$150,000, **to remain available until**
26 **September 30, 2030**, for necessary administrative expenses associated with carrying out this
27 section.

28 SEC. 70305. DESERT FISH CONSERVATION.

29 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
30 United States Fish and Wildlife Service for fiscal year 2022, out of any money in the Treasury
31 not otherwise appropriated, \$4,850,000, to remain available until expended, to make direct
32 expenditures, award grants, and enter into contracts and cooperative agreements for the purposes
33 of conserving endangered species and threatened species of desert fish in the United States under
34 paragraphs (1), (3), and (4) of subsection (f) of section 4 of the Endangered Species Act of 1973
35 (16 U.S.C. 1533(f)).

36 (b) Administrative Expenses.—In addition to amounts otherwise available, there is
37 appropriated to the United States Fish and Wildlife Service for fiscal year 2022, out of any
38 money in the Treasury not otherwise appropriated, \$150,000, **to remain available until**
39 **September 30, 2030**, for necessary administrative expenses associated with carrying out this
40 section.

1 SEC. 70306. FUNDING FOR THE UNITED STATES FISH
2 AND WILDLIFE SERVICE TO ADDRESS
3 CLIMATE-INDUCED WEATHER EVENTS.

4 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
5 United States Fish and Wildlife Service for fiscal year 2022, out of any money in the Treasury
6 not otherwise appropriated, \$242,500,000, to remain available until September 30, 2026, to make
7 direct expenditures, award grants, and enter into contracts and cooperative agreements for the
8 purposes of rebuilding and restoring units of the National Wildlife Refuge System and State
9 wildlife management areas, including by—

10 (1) addressing the threat of invasive species;

11 (2) increasing the resiliency and capacity of habitats and infrastructure to withstand
12 climate-induced weather events; and

13 (3) reducing the amount of damage caused by climate-induced weather events.

14 ~~The United States Fish and Wildlife Service may provide grants under this subsection with no~~
15 ~~cost-share requirement.~~

16 (b) Administrative Costs.—In addition to amounts otherwise available, there is appropriated to
17 the United States Fish and Wildlife Service for fiscal year 2022, out of any money in the
18 Treasury not otherwise appropriated, \$7,500,000, to remain available until September 30, 2026,
19 for necessary administrative expenses associated with carrying out this section.

20 SEC. 70307. WILDLIFE CORRIDOR CONSERVATION.

21 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
22 United States Fish and Wildlife Service for fiscal year 2022, out of any money in the Treasury
23 not otherwise appropriated, \$9,700,000, to remain available until expended, to carry out, through
24 direct expenditures, contracts, grants, and cooperative agreements, activities necessary for—

25 (1) mapping wildlife corridors;

26 (2) the conservation and restoration of wildlife corridors; and

27 (3) addressing the conservation and restoration of wildlife corridors—

28 (A) on land included in the National Wildlife Refuge System; and

29 (B) on private land through—

30 (i) the Partners for Fish and Wildlife Program of the United States Fish and
31 Wildlife Service; **and**

32 (ii) the Coastal Program of the United States Fish and Wildlife Service.; ~~and~~

33 ~~(iii) Migratory Bird Joint Ventures.~~

34 (b) Administrative Costs.—In addition to amounts otherwise available, there is appropriated to
35 the United States Fish and Wildlife Service for fiscal year 2022, out of any money in the
36 Treasury not otherwise appropriated, \$300,000, **to remain available until September 30, 2030,**
37 for necessary administrative expenses associated with carrying out this section.

1 **SEC. 70308. GRASSLAND RESTORATION.**

2 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
3 United States Fish and Wildlife Service for fiscal year 2022, out of any money in the Treasury
4 not otherwise appropriated, \$38,800,000, to remain available until expended to make direct
5 expenditures, award grants, and enter into contracts and cooperative agreements for carrying out
6 the protection and restoration of grassland habitats.

7 (b) Administrative Costs.—In addition to amounts otherwise available, there is appropriated to
8 the United States Fish and Wildlife Service for fiscal year 2022, out of any money in the
9 Treasury not otherwise appropriated, \$1,200,000, **to remain available until September 30,**
10 **2030**, for necessary administrative expenses associated with carrying out this section.

11 **Subtitle D—Water Resources Research and Technology**
12 **Institutes**

13 **SEC. 70401. WATER RESOURCES RESEARCH AND**
14 **TECHNOLOGY INSTITUTES.**

15 In addition to amounts otherwise available, there is appropriated to the United States
16 Geological Survey for fiscal year 2022, out of any money in the Treasury not otherwise
17 appropriated, \$50,000,000, to remain available until September 30, 2031, for grants and other
18 financial assistance to water resources research and technology institutes, centers, and equivalent
19 agencies.

20 **Subtitle E—Council on Environmental Quality**

21 **SEC. 70501. ENVIRONMENTAL AND CLIMATE DATA**
22 **COLLECTION.**

23 In addition to amounts otherwise available, there is appropriated to the Chair of the Council on
24 Environmental Quality for fiscal year 2022, out of any money in the Treasury not otherwise
25 appropriated, \$65,000,000, to remain available until September 30, 2026—

26 (1) to support data collection efforts relating to—

27 (A) disproportionate negative environmental harms and climate impacts; and

28 (B) cumulative impacts of pollution and temperature rise;

29 (2) to establish, expand, and maintain efforts to track disproportionate burdens and
30 cumulative impacts, including academic and workforce support for analytics and
31 informatics infrastructure and data collection systems; and

32 (3) to support efforts to ensure that any mapping or screening tool is accessible to
33 community-based organizations and community members.

34 **SEC. 70502. COUNCIL ON ENVIRONMENTAL QUALITY**
35 **EFFICIENT AND EFFECTIVE ENVIRONMENTAL**

1 **REVIEWS.**

2 In addition to amounts otherwise available, there is appropriated to the Chair of the Council on
3 Environmental Quality for fiscal year 2022, out of any money in the Treasury not otherwise
4 appropriated, \$15,000,000, to remain available until September 30, 2026, to carry out the
5 Council on Environmental Quality’s functions and for the purposes of training personnel,
6 developing programmatic environmental documents, and developing tools, guidance, and
7 techniques to improve stakeholder and community engagement.

8 **Subtitle F—Department of the Interior Efficient and Effective**
9 **Reviews**

10 **SEC. 70601. DEPARTMENT OF THE INTERIOR EFFICIENT**
11 **AND EFFECTIVE REVIEWS.**

12 In addition to amounts otherwise available, there is appropriated to the Department of the
13 Interior for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
14 \$100,000,000, to remain available until September 30, 2026, to provide for the development of
15 more efficient, accurate, and timely reviews for planning, permitting, and approval processes for
16 the National Park Service, the Bureau of Land Management, the Bureau of Ocean Energy
17 Management, the Bureau of Reclamation, the Bureau of Safety and Environmental Enforcement,
18 and the Office of Surface Mining Reclamation and Enforcement through the hiring and training
19 of personnel, the development of programmatic documents, the procurement of technical or
20 scientific services for reviews, the development of environmental data or information systems,
21 stakeholder and community engagement, the purchase of new equipment for environmental
22 analysis, and the development of geographic information systems and other analysis tools,
23 techniques, and guidance to improve agency transparency, accountability, and public
24 engagement.

25 **Subtitle G—Public Lands**

26 **SEC. 70701. NATIONAL PARKS AND PUBLIC LANDS**
27 **~~ECOSYSTEM~~ CONSERVATION AND RESILIENCE.**

28 In addition to amounts otherwise available, there is appropriated to the Secretary of the
29 Interior for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
30 \$1,250,000,000, to remain available until September 30, 2031, to carry out projects for the
31 **conservation**, protection, and resiliency of lands and resources ~~on lands~~ administered by the
32 National Park Service and Bureau of Land Management. None of the funds provided under this
33 section shall be subject to cost-share or matching requirements.

34 **SEC. 70702. NATIONAL PARKS AND PUBLIC LANDS**
35 **CONSERVATION AND ECOSYSTEM RESTORATION.**

36 In addition to amounts otherwise available, there is appropriated to the Secretary of the
37 Interior for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
38 \$750,000,000, to remain available until September 30, 2031, to carry out **conservation**,

1 ecosystem and habitat restoration projects on lands administered by the National Park Service
2 and Bureau of Land Management. None of the funds provided under this section shall be subject
3 to cost-share or matching requirements.

4 SEC. 70703. LANDS ~~CORPS~~ PROJECTS.

5 (a) Definitions.—With regard to this section:

6 (1) APPROPRIATE CONSERVATION PROJECTS.—The term “appropriate conservation
7 projects” means any project for the conservation, restoration, construction, or rehabilitation
8 of natural, cultural, historic, archaeological, recreational, or scenic resources on public lands
9 administered by the National Park Service or Bureau of Land Management.

10 ~~(2) Corps programs.—The term “corps programs” means a program established by a~~
11 ~~Federal, State, Tribal, Territorial, or local government, the District of Columbia, or~~
12 ~~nonprofit organization that performs appropriate conservation projects.~~

13 ~~(3) RESILIENCY OR RESTORATION PROJECTS.—The term “restoration or resiliency~~
14 ~~projects” means any project funded under sections 70701 and 70702.~~

15 (b) In General.—In addition to amounts otherwise available, there is appropriated to the
16 Secretary of the Interior for fiscal year 2022, out of any money in the Treasury not otherwise
17 appropriated, \$500,000,000, to remain available until September 30, 2031, to provide funding,
18 including all expenses necessary to provide funding, through direct expenditure, grants ~~or~~,
19 contracts ~~to~~, or cooperative agreements ~~with, corps programs~~, to perform appropriate
20 conservation projects or resiliency or restoration projects, including all expenses necessary to
21 carry out such projects, on public lands administered by the National Park Service and Bureau of
22 Land Management. None of the funds provided under this section shall be subject to cost-share
23 or matching requirements.

24 SEC. 70704. WILDFIRE MANAGEMENT.

25 In addition to amounts otherwise available, there is appropriated to the Secretary of the
26 Interior for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
27 \$500,000,000, to remain available until September 30, 2031, for wildland fire management by
28 the Bureau of Land Management or National Park Service, including improvement, relocation,
29 renovation, or construction of firefighting facilities; reduction of wildfire hazards to communities
30 through fuels projects within the wildland-urban interface; burned area rehabilitation; rural fire
31 assistance; **for salaries and expenses for wildland firefighters**; wildfire-related information
32 technology and geospatial analysis; deployment of remote sensing technologies; wildfire science
33 and research, including fireshed mapping; **and, through the Office of Aviation Services**,
34 purchase, lease or contract of fixed-wing aircraft; **and the** assessment and deployment of
35 technologies to limit disruptions to firefighting operations at night, in a degraded visual
36 environment, ~~or~~ **and** by unauthorized unmanned aircraft system, including the feasibility of
37 optionally-piloted rotor-wing aircraft and containerized retardant-delivery systems; ~~and for~~
38 ~~salaries and expenses for wildland firefighters.~~

39 SEC. 70705. NATIONAL PARK SERVICE DEFERRED 40 MAINTENANCE AND DEPARTMENT OF THE INTERIOR

1 HOUSING.

2 In addition to amounts otherwise available, there is appropriated to the Secretary of the
3 Interior for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
4 \$400,000,000, to remain available until September 30, 2026, for carrying out priority deferred
5 maintenance projects, which may include resolving directly-related infrastructure deficiencies,
6 including through direct expenditures or transfer authority, within the boundaries of the National
7 Park System and to provide housing, including expenses necessary to provide housing, for—

8 (1) field employees of the National Park Service pursuant to subchapter III of chapter
9 1013 of title 54, United States Code;

10 (2) field employees of the Bureau of Land Management in a manner similar to the
11 provision of housing under paragraph (1); and

12 (3) participants in corps programs performing appropriate conservation projects or
13 resiliency and restoration projects under grants, contracts, or cooperative agreements with
14 the National Park Service or the Bureau of Land Management in a manner similar to the
15 provision of housing under paragraph (1).

16 SEC. 70706. URBAN PARKS.

17 ~~(a) In General.—~~In addition to amounts otherwise available, there is appropriated to the
18 Director of the National Park Service for fiscal year 2022, out of any money in the Treasury not
19 otherwise appropriated, \$100,000,000, to remain available until September 30, 2026, to carry out
20 direct, competitive grants to localities for acquisition of land or interests in land, or for
21 development of recreation facilities to create or significantly enhance access to parks or outdoor
22 recreation in urban areas, subject to the conditions that no property acquired or developed with
23 funding under this section shall be converted to uses other than public outdoor recreation without
24 the approval of the Secretary. Such approval shall require assurances as the Secretary considers
25 necessary to ensure the substitution of other recreational properties of equivalent or greater fair
26 market value and of equivalent usefulness and accessibility.

27 ~~(b) Administrative Expenses.—~~In addition to amounts otherwise
28 available, there is appropriated to the Director of the National
29 Park Service for fiscal year 2022, out of any money in the
30 Treasury not otherwise appropriated, \$10,000,000, to remain
31 available until September 30, 2026, for necessary administrative
32 expenses associated with carrying out this section.

33 SEC. 70707. HISTORIC PRESERVATION.

34 In addition to amounts otherwise available, there is appropriated to the Director of the
35 National Park Service for fiscal year 2022, out of any money in the Treasury not otherwise
36 appropriated, \$25,000,000, to remain available until September 30, 2026, to provide funding
37 through direct expenditure, contracts, grants, cooperative agreements, or technical assistance to
38 States, Indian Tribes, the District of Columbia, and Territories to carry out preservation or

1 historic preservation as defined by section 300315 of title 54, United States Code.

2 **SEC. 70708. NATIONAL HERITAGE AREAS.**

3 In addition to amounts otherwise available, there is appropriated to the Director of the
4 National Park Service for fiscal year 2022, out of any money in the Treasury not otherwise
5 appropriated, \$50,000,000, to remain available until September 30, 2026, to carry out funding for
6 National Heritage Area Partnerships, including funding in fiscal year 2022 for any national
7 heritage area, national heritage corridor, cultural heritage corridor, national heritage partnership,
8 national heritage canalway, national heritage route, and battlefields national historic district
9 authorized to receive Federal funds as of September 1, 2021.

10 **SEC. 70709. WITHDRAWALS.**

11 The Secretary of the Interior shall, on or before June 30, 2024, withdraw, permanently or for
12 a set term and subject to valid existing rights, lands or interest in lands administered by the
13 Bureau of Land Management from entry, appropriation, disposal, location, **leasing, permitting,**
14 and patent. Withdrawals made under this section shall result in an aggregate reduction of receipts
15 payable to the Treasury between the date of the enactment of this section and the end of fiscal
16 year 2031 of \$10,000,000.

17 **SEC. 70710. NATIONAL PARK SERVICE EMPLOYEES.**

18 **In addition to amounts otherwise available, there is appropriated to the Secretary of the**
19 **Interior for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,**
20 **\$500,000,000, to remain available through September 30, 2030, to hire employees in units of**
21 **the National Park System.**

22 Subtitle H—Drought Response and Preparedness

23 **SEC. 70801. BUREAU OF RECLAMATION ~~POTABLE~~** 24 **DOMESTIC WATER SUPPLY PROJECTS.**

25 (a) Funding for ~~Potable~~ **Domestic** Water Supply Projects.—In addition to amounts otherwise
26 available, there is appropriated to the Commissioner of the Bureau of Reclamation for fiscal year
27 2022, out of any money in the Treasury not otherwise appropriated, \$550,000,000, to remain
28 available until expended, for grants, contracts, or financial assistance agreements ~~to~~ **for**
29 disadvantaged communities (identified according to criteria adopted by the Commissioner) in a
30 manner as determined by the Commissioner for up to 100 percent of the cost of the planning,
31 design, or construction of water projects the primary purpose of which is to provide ~~potable~~
32 **domestic** water supplies to communities or households that do not have reliable access to ~~potable~~
33 **domestic** water **supplies** in a State or territory described in the first section of the Act of June 17,
34 1902 (43 U.S.C. 391; 32 Stat. 388, chapter 1093).

35 (b) Additional Funding.—In addition to amounts otherwise available, there is appropriated to
36 the Commissioner of the Bureau of Reclamation for fiscal year 2032 and each fiscal year
37 thereafter, out of any money in the Treasury not otherwise appropriated, \$50,000,000, to remain
38 available until expended, for grants, contracts, or financial assistance agreements ~~to~~ **for**
39 disadvantaged communities (identified according to criteria adopted by the Commissioner) in a

1 manner as determined by the Commissioner for up to 100 percent of the cost of the planning,
2 design, or construction of water projects the primary purpose of which is to provide ~~potable~~
3 **domestic** water supplies to communities or households that do not have reliable access to ~~potable~~
4 ~~water in a State or territory described in the first section of the Act of June 17, 1902 (43 U.S.C.~~
5 ~~391; 32 Stat. 388, chapter 1093).~~ **domestic water supplies in a United States territory or a**
6 **Western State (as described in item (6) of section 3002 of the Western Water Policy Review**
7 **Act of 1992).**

8 SEC. 70802. LARGE SCALE WATER REUSE.

9 (a) Definitions.—In this section:

10 (1) ELIGIBLE ENTITY.—The term “eligible entity” means—

11 (A) a State, Indian Tribe, municipality, irrigation district, water district, wastewater
12 district, or other organization with water or power delivery authority;

13 (B) a State, regional, or local authority, the members of which include 1 or more
14 organizations with water or power delivery authority; or

15 (C) an agency established under State law for the joint exercise of powers or a
16 combination of entities described in subparagraphs (A) and (B).

17 (2) RECLAMATION STATE.—The term “Reclamation State” means a State or territory
18 described in the first section of the Act of June 17, 1902 (32 Stat. 388, chapter 1093; 43
19 U.S.C. 391).

20 (b) In General.—In addition to amounts otherwise available, there is appropriated to the
21 Bureau of Reclamation for fiscal year 2022, out of any money in the Treasury not otherwise
22 appropriated, \$100,000,000, to remain available until September 30, 2031, to provide
23 nonreimbursable grants on a competitive basis to eligible entities that shall not exceed 25 percent
24 of the total cost of an eligible project unless the project advances at least a proportionate share of
25 authorized nonreimbursable benefits (including benefits provided through measurable reductions
26 in water diversions from a river basin that is associated with or affected by, or located within the
27 same river basin as a Federal reclamation project) up to a maximum 75 percent of the total costs
28 of an eligible project, to carry out the planning, design, and construction of projects to reclaim
29 and reuse municipal, industrial, domestic, or agricultural wastewater or impaired ground or
30 surface waters that have a total estimated cost of more than \$500,000,000 and that provide
31 benefits to drought stricken regions within the Reclamation States for the purposes of—

32 (1) helping to advance water management plans across a multi-state area, such as drought
33 contingency plans in the Colorado River Basin; and

34 (2) providing multiple benefits, including water supply reliability benefits for
35 drought-stricken States, **Indian** Tribes, and communities, and benefits from measurable
36 reductions in water diversions.

37 ~~(c) Total Dollar Cap.—The~~ **The** Bureau of Reclamation shall not impose a total dollar cap on
38 Federal contributions that applies to all individual projects funded under this section. ~~An(d)~~
39 ~~Funding Eligibility.—An~~ eligible project shall not be considered ineligible for assistance under
40 this section because the project has received assistance authorized under title XVI of Public Law
41 102–575 or section 4009 of Public Law 114–322. ~~The(e) Treatment of Conveyance.—The~~

1 Bureau of Reclamation shall consider the planning, design, and construction of an eligible
2 project's conveyance system to be eligible for grant funding under this section.

3 **SEC. 70803. ADDRESSING REDUCED WATER** 4 **AVAILABILITY FOR INLAND WATER BODIES.**

5 In addition to amounts otherwise available, there is appropriated to the Bureau of Reclamation
6 for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$100,000,000,
7 to remain available until September 30, 2031, to provide grants and enter into contracts and
8 cooperative agreements to carry out projects to mitigate the impact of reduced water inflows into
9 inland water bodies associated with, affected by, or located within the same river basin as a
10 Bureau of Reclamation water project, **to cover** up to 50 percent of the total cost of the project, in
11 partnership with a State, Indian Tribe, municipality, irrigation district, water district, wastewater
12 district, nonprofit organization, institution of higher learning, or an agency established under
13 State law for the joint exercise of powers.

14 **SEC. 70804. CANAL REPAIR AND IMPROVEMENT** 15 **PROJECTS.**

16 (a) Conveyance Repairs.—In addition to amounts otherwise available, there is appropriated to
17 the Bureau of Reclamation for fiscal year 2022, out of any money in the Treasury not otherwise
18 appropriated, \$25,000,000, to remain available until September 30, 2031, to provide
19 nonreimbursable grants in a manner as determined by the Secretary of the Interior (in this section
20 referred to as the “Secretary”) on a competitive basis to eligible entities that in aggregate shall
21 not exceed 33 percent of the total cost of an eligible project to carry out the planning, design, and
22 construction of projects to make major, non-recurring maintenance repairs to water conveyance
23 facilities that do not enlarge the carrying capacity of a conveyance facility beyond the capacity as
24 previously constructed for conveyance facilities in need of emergency capacity restoration due to
25 subsidence and experiencing exceptional drought for the purposes of increasing drought
26 resiliency, primarily through groundwater recharge.

27 (b) Solar Canal Integration.—In addition to amounts otherwise available, there is appropriated
28 to the Bureau of Reclamation for fiscal year 2022, out of any money in the Treasury not
29 otherwise appropriated, \$25,000,000, to remain available until September 30, 2031, for the
30 design, study, and implementation of projects (including pilot and demonstration projects) to
31 cover conveyance facilities receiving grants under subsection (a) with solar panels to generate
32 renewable energy in a manner as determined by the Secretary or for other solar projects
33 associated with Bureau of Reclamation projects that increase water efficiency and assist in
34 implementation of clean energy goals.

35 **Subtitle I—Insular Affairs**

36 **SEC. 70901. INSULAR AFFAIRS CRITICAL** 37 **INFRASTRUCTURE FUNDING.**

38 In addition to amounts otherwise available, there is appropriated to the Department of the
39 Interior Office of Insular Affairs for fiscal year 2022, out of any money in the Treasury not

1 otherwise appropriated, \$1,000,000,000, to remain available until September 30, ~~2031~~ **2026**, for
2 critical infrastructure in the territories. Amounts made available under this section shall be
3 distributed under ~~paragraph (3) of subsection (c) of section 4 of Public Law 94241 (110 Stat.~~
4 ~~1321178) as amended by section 118 of Public Law 104134 (48 U.S.C. 1804(C)(3)).~~ **section 701**
5 **of the Covenant approved under Public Law 94–241 in the manner provided under the**
6 **heading “ASSISTANCE TO TERRITORIES” in title I of the Department of the Interior and**
7 **Related Agencies Appropriations Act, 1996, as enacted by Public Law 104-134 (110 Stat.**
8 **1321-173).**

9 SEC. 70902. OFFICE OF INSULAR AFFAIRS CLIMATE 10 CHANGE TECHNICAL ASSISTANCE.

11 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
12 Department of the Interior Office of Insular Affairs for fiscal year 2022, out of any money in the
13 Treasury not otherwise appropriated, \$29,100,000, to remain available until September 30, 2026,
14 to provide technical assistance for climate change planning, mitigation, adaptation, and resilience
15 to United States Insular Areas under the Office of Insular Affairs.

16 (b) Administrative Expenses.—In addition to amounts otherwise available, there is
17 appropriated to the Department of the Interior Office of Insular Affairs for fiscal year 2022, out
18 of any money in the Treasury not otherwise appropriated, \$900,000, to remain available until
19 September 30, 2026, for necessary administrative expenses associated with carrying out this
20 section.

21 SEC. 70903. DEFINITIONS.

22 For the purposes of this subtitle:

23 (1) TERRITORIES.—The term “territories” means American Samoa, the Commonwealth of
24 the Northern Mariana Islands, Guam, ~~Puerto Rico~~, and the Virgin Islands of the United
25 States.

26 (2) TERRITORY.—~~THE TERM “TERRITORY”~~ **UNITED STATES INSULAR AREAS.—The term**
27 **“United States Insular Areas”** means American Samoa, the Commonwealth of the
28 Northern Mariana Islands, Guam, Puerto Rico, or the Virgin Islands of the United States.

29 Subtitle J—Offshore Wind

30 SEC. 71001. RENEWABLE ENERGY LEASING ON THE 31 OUTER CONTINENTAL SHELF.

32 The Secretary of the Interior shall grant leases, easements, and rights-of-way, to produce or
33 support production, transportation, or transmission of electricity from renewable energy facilities
34 on the Outer Continental Shelf in the **areas identified on the map entitled “Outer Continental**
35 **Shelf Lower 48 States Planning Areas” and dated October 18, 2021, as the** Mid Atlantic
36 Planning Area, the South Atlantic Planning Area, the Straits of Florida Planning Area, and the
37 Eastern Gulf of Mexico Planning Area ~~identified on the map entitled “Outer Continental Shelf~~
38 ~~Lower 48 States Planning Areas” and dated October 18, 2021.~~

1 SEC. 71002. OFFSHORE WIND FOR THE TERRITORIES.

2 The Secretary of the Interior shall grant leases, easements, and rights-of-way to produce or
3 support production, transportation, or transmission of electricity from renewable energy facilities
4 in submerged lands seaward from the coastline of Puerto Rico, Guam, American Samoa, the
5 Virgin Islands of the United States, and the Commonwealth of the Northern Mariana Islands and
6 of which the subsoil and seabed appertain to the United States and are subject to its jurisdiction
7 and control. The Secretary of the Interior shall conduct wind lease sales in said submerged lands
8 if the Secretary of the Interior has determined that a wind lease sale is feasible and issued a call
9 for information and nominations, determined there is sufficient interest in leasing the area, and
10 consulted with the Governor of the territory regarding the suitability of the area for wind energy
11 development.

12 Subtitle ~~K—Hardrock Mining Reclamation~~ **K—Preventing** 13 **Damage From Mining**

14 ~~SEC. 71101. HARDROCK MINING.~~ **SEC. 71101. FUNDING** 15 **TO PREVENT DAMAGE FROM MINING.**

16 (a) ~~In General.~~— Except as provided in subsection (b) and subject to subsection (c), production
17 of all locatable minerals from any mining claim or mineral concentrates or products derived from
18 locatable minerals from any such mining claim on Federal lands, as the case may be, shall be
19 subject to a royalty of 4 percent of the gross income from mining. The claim holder or any
20 operator to whom the claim holder has assigned the obligation to make royalty payments under
21 the claim and any person who controls such claim holder or operator shall be liable for payment
22 of such royalties.

23 (b) ~~Royalty for Federal Lands Subject to Approved Plan of Operations.~~— The royalty under
24 subsection (a) shall be 2 percent in the case of any Federal land that is subject to an approved
25 plan of operations on the date of enactment of this section.

26 (c) ~~Federal Land Added to Existing Plans of Operations.~~— Any Federal land added through a
27 plan modification to a mining plan of operations that is submitted after the date of enactment of
28 this section shall be subject to the royalty that applies to Federal land under subsection (a).

29 (d) ~~Limitation on Application.~~—

30 (1) ~~In general.~~— Any royalty under this section shall not apply to small miners. In this
31 paragraph, the term “small miner” means a person (including all related parties thereto) that
32 certifies to the Secretary of the Interior in writing that the person had annual gross income in the
33 preceding calendar year from mineral production in an amount less than \$100,000.

34 (2) ~~Related parties defined.~~— For the purposes of this paragraph, the term “related parties”
35 means, with respect to a person—

36 (A) the spouse and all dependents (as defined in section 152 of the Internal Revenue Code of
37 1986 (26 U.S.C. 152)) of the person; or

38 (B) another person who is affiliated with the person, including—

39 (i) another person who controls, is controlled by, or is under common control with the person;

1 and

2 (ii) a subsidiary or parent company or corporation of the person.

3 (3) Control defined.—For purposes of this paragraph, the term “control” includes actual
4 control, legal control, and the power to exercise control, through or by common directors,
5 officers, stock holders, a voting trust, or a holding company or investment company, or any other
6 means.

7 (e) Duties of Claim Holders, Operators, and Transporters.—The Secretary of the Interior shall
8 prescribe by rule the time and manner in which—

9 (1) a person who is required to make a royalty payment under this section shall make such
10 payment; and

11 (2) a person is subject to fines or forfeiture of mining claims for failure to comply with said
12 rule.

13 (f) Gross Income From Mining Defined.—For the purposes of this section, the term “gross
14 income from mining” has the same meaning as the term “gross income” in the Internal Revenue
15 Code of 1986 (26 C.F.R. 61) for any hardrock mineral sources.

16 (g) Effective Date.—Royalties under this section shall take effect with respect to the
17 production of hardrock minerals after the enactment of this section, but any royalty payments
18 attributable to production during the first 12 calendar months after the enactment of this section
19 shall be payable at the expiration of such 12 month period.

20 (h) Use of Funds.—~~In~~ **In** addition to amounts otherwise **available, there is** appropriated to
21 **the Bureau of Land Management** for fiscal year 2022, \$997,000,000 ~~shall out of any money~~
22 **in the Treasury not otherwise appropriated, \$3,000,000, to** remain available until September
23 30, 2031 to the Secretary of the Interior from all amounts collected as royalties in subsections
24 (a), (b) and (c) for all activities necessary to inventory, assess, decommission, reclaim, respond
25 to hazardous substance releases on, and remediate abandoned locatable minerals mine land,
26 including, to revise rules and regulations to prevent undue degradation of public lands due to
27 hardrock mining activities.

28 Subtitle L—Arctic National Wildlife Refuge

29 SEC. 71201. REPEAL OF THE ARCTIC NATIONAL 30 WILDLIFE REFUGE OIL AND GAS PROGRAM.

31 Section 20001 of Public Law 115–97 is repealed and any leases issued pursuant to section
32 20001 of Public Law 115–97 are hereby cancelled and all payments related to the leases shall be
33 returned to the lessee(s) within 30 days of enactment of this section.

34 Subtitle M—Outer Continental Shelf Oil and Gas Leasing

35 SEC. 71301. PROTECTION OF THE EASTERN GULF, 36 ATLANTIC, AND PACIFIC COASTS.

37 The Secretary of the Interior may not issue a lease or any other authorization for the

1 exploration, development, or production of oil or natural gas in any of the planning areas on the
2 Outer Continental Shelf in the Pacific Region Planning Areas, in the Atlantic Region Planning
3 Areas, or in the Eastern Gulf of Mexico Planning Area identified on the map entitled “Outer
4 Continental Shelf Lower 48 States Planning Areas” and dated October 18, 2021.

5 Subtitle N—Fossil Fuel Resources

6 SEC. 71401. ONSHORE FOSSIL FUEL ROYALTY RATES.

7 All new onshore oil, ~~gas,~~ and ~~coal~~ gas leases issued by the Secretary of the Interior shall be
8 conditioned upon the payment of a royalty at a rate of 18.75 percent in amount or value of the
9 production from the lease. Before a terminated or cancelled oil, ~~or gas,~~ ~~or coal~~ lease may be
10 reinstated by the Secretary of the Interior, back royalties must be paid, and future royalties shall
11 be at a rate of 25 percent in amount or value of the production from the lease.

12 SEC. 71402. OFFSHORE OIL AND GAS ROYALTY RATE.

13 All new offshore oil and gas leases on submerged lands of the outer Continental Shelf granted
14 by the Secretary of the Interior shall be conditioned upon the payment of a royalty at a rate of not
15 less than 14 percent in amount or value of the production from the lease.

16 SEC. 71403. OIL AND GAS MINIMUM BID.

17 The onshore minimum acceptable bid charged by the Secretary of the Interior shall be \$10 per
18 acre on Federal lands in the contiguous United States authorized to be leased by the Secretary for
19 production of oil and gas. The Secretary of the Interior shall by regulation, at least once every 4
20 years, adjust the dollar amount to reflect the change in inflation.

21 SEC. 71404. DEFERRED COAL BONUS PAYMENTS.

22 The Secretary of the Interior may not offer Federal coal leases under a system of deferred
23 bonus payment.

24 SEC. 71405. FOSSIL FUEL RENTAL RATES.

25 The Secretary of the Interior shall require all onshore oil and gas leases in the contiguous
26 United States to be conditioned upon payment by the lessee of a rental of \$3 per acre per year
27 during the 2-year period beginning on the date the lease begins for new leases, and after the end
28 of such two-year period \$5 per acre per year. The Secretary of the Interior shall by regulation, at
29 least once every 4 years, adjust the dollar amounts to reflect the change in inflation. A terminated
30 onshore oil and gas lease may not be reinstated without the payment of back rentals and a
31 requirement that future rentals be at a rate of \$20 per acre per year.

32 SEC. 71406. FOSSIL FUEL LEASE TERM LENGTH.

33 (a) A **new** coal lease issued by the Secretary of the Interior shall be for a term of ten years.
34 Any lease which is not producing in commercial quantities at the end of 5 years shall be
35 terminated. The aggregate number of years during the period of any lease for which advance
36 royalties may be accepted in lieu of the condition of continued operation shall not exceed 10
37 years.

1 (b) Leases for exploration for and development of oil or gas in the contiguous United States
2 issued by the Secretary of the Interior shall be for a primary term of 5 years.

3 SEC. 71407. EXPRESSION OF INTEREST FEE.

4 (a) In General.—The Secretary of the Interior shall charge any person who submits an
5 expression of interest in leasing land in the contiguous United States available for disposition for
6 exploration and development of oil or gas a fee in an amount determined by the Secretary of the
7 Interior under subsection (b).

8 (b) Amount.—The fee authorized under subsection (a) shall be established by the Secretary of
9 the Interior in an amount that is determined by the Secretary of the Interior to be appropriate to
10 cover the aggregate cost of processing an expression of interest under this section, but not less
11 than \$15 per acre and not more than \$50 per acre of the area covered by the applicable
12 expression of interest.

13 (c) Adjustment of Fee.—The Secretary of the Interior shall, by regulation at least every 4
14 years, establish a higher expression of interest fee to reflect the change in inflation.

15 SEC. 71408. ELIMINATION OF NONCOMPETITIVE 16 LEASING.

17 The Secretary of the Interior may not issue an oil or gas lease noncompetitively. Land made
18 available by the Secretary of the Interior for oil and gas leasing for which no bid is accepted or
19 received, or the land for which a lease terminates, expires, is cancelled, or is relinquished, may
20 only be made available by the Secretary of the Interior for a new round of sealed, competitive
21 bidding.

22 SEC. 71409. OIL AND GAS BONDING REQUIREMENTS.

23 Not later than 18 months after the date of enactment of this subtitle, the Secretary of the
24 Interior shall publish a final rule in the Federal Register requiring that an adequate bond, surety,
25 or other financial arrangement be provided by an oil or gas lessee prior to the commencement of
26 surface-disturbing activities on an onshore oil and gas lease issued by the Secretary to ensure the
27 complete and timely restoration and reclamation of any land, water, ~~or other resources (including~~
28 ~~resources with recreation, range, mineral, watershed, fish or wildlife, natural, scenic, scientific,~~
29 ~~or historical value)~~ **range, or other environmental resources** adversely affected by lease
30 activities or operations after the abandonment or cessation of oil and gas operations on the lease.
31 The Secretary of the Interior shall find that a bond, surety or other financial arrangement required
32 by rule or regulation is inadequate if it is for less than the complete and timely reclamation of the
33 least tract, the restoration of any lands or surface waters adversely affected by lease operations,
34 and, in the case of an idled well, the total plugging and reclamation costs for each idled well
35 controlled by the same operator.

36 SEC. 71410. PER-ACRE LEASE FEES.

37 (a) Oil and Gas Lease Fees.—The Secretary of the Interior shall charge onshore and offshore
38 oil and gas leaseholders the following annual, non-refundable fees:

39 (1) CONSERVATION OF RESOURCES FEE.—There is established a Conservation of

1 Resources Fee of \$4 per acre per year on new producing Federal onshore and offshore oil
2 and gas leases.

3 (2) SPECULATIVE LEASING FEE.—There is established a Speculative Leasing Fee of \$6 per
4 acre per year on new nonproducing Federal onshore and offshore oil and gas leases.

5 (b) Deposit.—All funds collected pursuant to subsection (a) shall be deposited into the United
6 States Treasury General Fund.

7 (c) Adjustment for Inflation.—The Secretary of the Interior shall, by regulation at least once
8 every four years, adjust each fee created by subsection (a) to reflect any increase in inflation.

9 SEC. 71411. OFFSHORE OIL AND GAS INSPECTION FEES.

10 (a) In General.—

11 (1) ESTABLISHMENT.—The Secretary of the Interior shall collect inspection fees from the
12 operators of oil and gas facilities on the outer continental shelf subject to any environmental
13 or safety regulation to prevent or ameliorate blowouts, fires, spills, spillages, or major
14 accidents—

15 (A) at an aggregate level to offset the annual expenses of such inspections; and

16 (B) using a schedule that reflect the differences in complexity among the classes of
17 facilities to be inspected.

18 (2) ADJUSTMENT FOR INFLATION.—For each fiscal year beginning after fiscal year 2022,
19 the Secretary of the Interior shall adjust the amount of the fees collected under this section
20 for inflation.

21 (3) FEES FOR FISCAL YEAR 2022.—

22 (A) ANNUAL FEES.—For fiscal year 2022, the Secretary of the Interior shall collect
23 annual fees from the operator of facilities that are above the waterline, excluding
24 drilling rigs, and are in place at the start of the fiscal year in the following amounts:

25 (i) \$11,725 for facilities with no wells, but with processing equipment or
26 gathering lines.

27 (ii) \$18,984 for facilities with 1 to 10 wells, with any combination of active or
28 inactive wells.

29 (iii) \$35,176 for facilities with more than 10 wells, with any combination of
30 active or inactive wells.

31 (B) FEES FOR DRILLING RIGS.—For fiscal year 2022, the Secretary of the Interior
32 shall collect fees for each inspection from the operators of drilling rigs in the following
33 amounts:

34 (i) \$34,059 per inspection for rigs operating in water depths of 500 feet or
35 more.

36 (ii) \$18,649 per inspection for rigs operating in water depths of less than 500
37 feet.

38 (C) FEES FOR NON-RIG UNITS.—For fiscal year 2022, the Secretary of the Interior

1 shall collect fees for each inspection from the operators of well operations conducted
2 via non-rig units in the following amounts:

3 (i) \$13,260 per inspection for non-rig units operating in water depths of 2,500
4 feet or more.

5 (ii) \$11,530 per inspection for non-rig units operating in water depths between
6 500 and 2,499 feet.

7 (iii) \$4,470 per inspection for non-rig units operating in water depths of less
8 than 500 feet.

9 (b) Disposition.—Amounts collected as fees under subsection (a) shall be deposited into the
10 general fund of the Treasury.

11 (c) Billing.—

12 (1) ANNUAL FEES.—The Secretary of the Interior shall bill designated operators under
13 subsection (a)(3)(A) annually, with payment required not later than 30 days after such
14 billing.

15 (2) FEES FOR DRILLING RIGS.—The Secretary of the Interior shall bill designated operators
16 under subsection (a)(3)(B) not later than 30 days after the end of the month in which the
17 inspection occurred, with payment required not later than 30 days after such billing.

18 SEC. 71412. ONSHORE OIL AND GAS INSPECTION FEES.

19 (a) In General.—The designated operator under each oil and gas lease on Federal land or each
20 unit and communitization agreement that includes one or more such Federal leases that is subject
21 to inspection and that is in force at the start of the fiscal year 2021, shall pay a nonrefundable
22 annual inspection fee in an amount that, except as provided in subsection (b), is established by
23 the Secretary of the Interior by regulation and is sufficient to recover the full costs incurred by
24 the United States for inspection and enforcement with respect to such leases.

25 (b) Amount.—Until the effective date of regulations under subsection (a)—

26 (1) the amount of the fee for all States shall be \$1,000 for each lease, unit, or
27 communitization agreement; and

28 (2) the Secretary of the Interior may increase the fees based upon the actual costs
29 incurred for inspections.

30 (c) Assessment for Fiscal Year 2022.—For fiscal year 2022, the Secretary of the Interior shall
31 assess the fee described under this section at \$1,000 for each lease, unit, or communitization
32 agreement, and shall provide notice of such assessment to each designated operator who is liable
33 for such fee, by not later than 60 days after the date of enactment of this section.

34 SEC. 71413. SEVERANCE FEES.

35 The Secretary of the Interior shall collect annual, non-refundable fees on fossil fuels produced
36 from new leases on Federal lands and the Outer Continental Shelf and deposit the funds into the
37 United States Treasury General Fund. Such fees shall be—

38 (1) \$0.50 per barrel of oil equivalent on oil and natural gas produced from Federal lands
39 and the Outer Continental Shelf; and

1 (2) \$2 per metric ton of coal produced from Federal lands.

2 SEC. 71414. IDLED WELL FEES.

3 (a) In General.—The Secretary of the Interior shall, not later than 180 days after the date of
4 enactment of this section, issue regulations to require each operator of an idled well on Federal
5 land and the Outer Continental Shelf to pay an annual, nonrefundable fee for each such idled
6 well in accordance with this subsection.

7 (b) Amounts.—Except as provided in subsection (d), the amount of the fee shall be as follows:

8 (1) \$500 for each well that has been considered an idled well for at least 1 year, but not
9 more than 5 years.

10 (2) \$1,500 for each well that has been considered an idled well for at least 5 years, but not
11 more than 10 years.

12 (3) \$3,500 for each well that has been considered an idled well for at least 10 years, but
13 not more than 15 years.

14 (4) \$7,500 for each well that has been considered an idled well for at least 15 years.

15 (c) Due Date.—An owner of an idled well that is required to pay a fee under this section shall
16 submit to the Secretary of the Interior such fee by not later than October 1 of each year.

17 (d) Adjustment for Inflation.—The Secretary of the Interior shall, by regulation not less than
18 once every 4 years, adjust each fee under this section to account for inflation.

19 (e) Deposit.—All funds collected pursuant to subsection (a) shall be deposited into the United
20 States Treasury General Fund.

21 (f) Idled Well Definition.—For the purposes of this section, the term “idled well” means a
22 well that has been non-operational for at least two consecutive years and for which there is no
23 anticipated beneficial future use.

24 SEC. 71415. ANNUAL PIPELINE OWNERS FEE.

25 (a) In General.—Not later than 180 days after the date of enactment of this section, the Bureau
26 of Safety and Environmental Enforcement shall issue regulations to assess an annual fee on
27 owners of existing and new offshore oil and gas pipelines defined as “DOI pipelines” under 30
28 C.F.R. 250.1001. No portion of such fee that is passed on to a lessee may be deducted as part of
29 a lessee’s transportation allowance when calculating royalties due to the United States.

30 (b) Amounts.—Fees established under this paragraph shall be—

31 (1) \$10,000 per mile for pipelines in water with a depth of 500 feet or greater; and

32 (2) \$1,000 per mile for pipelines in water depth of under 500 feet.

33 SEC. 71416. ROYALTIES ON ALL EXTRACTED 34 METHANE.

35 (a) In General.—Except as provided in subsection (b), royalties paid for gas produced from
36 Federal lands and on the Outer Continental Shelf shall be assessed on all gas produced,
37 including—

1 (1) gas used or consumed within the area of the lease tract for the benefit of the lease; and

2 (2) all gas that is consumed or lost by venting, flaring, or fugitive releases through any
3 equipment during upstream operations.

4 (b) Exception.—Subsection (a) shall not apply with respect to gas vented or flared for not
5 longer than 48 hours in an acute emergency situation that poses a danger to human health.

6 SEC. 71417. ELIMINATION OF ROYALTY RELIEF.

7 (a) Limitation on Authority.—The Secretary of the Interior may not reduce, eliminate, or
8 suspend royalties or net profit share for any oil and gas leases on the Outer Continental Shelf.
9 Royalty relief may not be permitted on any future oil and gas leases on the Outer Continental
10 Shelf.

11 (b) Repeal.—Section 39 of the Mineral Leasing Act (30 U.S.C. 209) is repealed.

12 Subtitle O—United States Geological Survey

13 SEC. 71501. UNITED STATES GEOLOGICAL SURVEY 3D 14 ELEVATION PROGRAM.

15 In addition to amounts otherwise available, there is appropriated to the Director of the United
16 States Geological Survey for fiscal year 2022, out of any money in the Treasury not otherwise
17 appropriated, ~~\$50,000,000~~ **\$47,000,000**, to remain available until September 30, 2031, to ~~carry-~~
18 ~~out subsection 5(d) of the National Landslide Preparedness Act (43 U.S.C. 3104(d)).~~ **produce,**
19 **collect, disseminate, and use 3D elevation data.**

20 SEC. 71502. CLIMATE ADAPTATION SCIENCE CENTERS.

21 In addition to amounts otherwise available, there is appropriated to the United States
22 Geological Survey for fiscal year 2022, out of any money in the Treasury not otherwise
23 appropriated, \$50,000,000, to remain available until September 30, 2031, for the Regional and
24 National Climate Adaptation Science Centers to provide localized information to help
25 communities respond to climate change.

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TITLE VIII—COMMITTEE ON OVERSIGHT AND REFORM

SEC. 80001. GENERAL SERVICES ADMINISTRATION CLEAN FLEETS.

In addition to amounts otherwise available, there is appropriated to the Administrator of General Services for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$2,995,000,000, to remain available until September 30, 2026, for the procurement of zero-emission and electric vehicles and related costs.

SEC. 80002. FUNDING FOR GENERAL SERVICES ADMINISTRATION OFFICE OF INSPECTOR GENERAL.

In addition to amounts otherwise available, there is appropriated to the Office of Inspector General of the General Services Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$5,000,000, to remain available until September 30, 2031, to support oversight of General Services Administration activities implemented pursuant to this Act.

SEC. 80003. UNITED STATES POSTAL SERVICE CLEAN FLEETS.

In addition to amounts otherwise available, there is appropriated to the United States Postal Service for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, the following amounts, to be deposited into the Postal Service Fund established under section 2003 of title 39, United States Code:

(1) \$2,573,550,000, to remain available through September 30, 2031, for the purchase of electric delivery vehicles.

(2) \$3,411,450,000, to remain available through September 30, 2031, for the purchase, design, and installation of the requisite infrastructure to support electric delivery vehicles at facilities that the United States Postal Service owns or leases from non-Federal entities.

SEC. 80004. UNITED STATES POSTAL SERVICE OFFICE OF INSPECTOR GENERAL.

In addition to amounts otherwise available, there is appropriated to the Office of Inspector General of the United States Postal Service for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$15,000,000, to remain available through September 30, 2031, to support oversight of United States Postal Service activities implemented pursuant to this Act.

SEC. 80005. GOVERNMENT ACCOUNTABILITY OFFICE

1 **OVERSIGHT.**

2 In addition to amounts otherwise available, there is appropriated to the Comptroller General of
3 the United States for fiscal year 2022, out of any money in the Treasury not otherwise
4 appropriated, \$25,000,000, to remain available until September 30, 2031, for necessary expenses
5 of the Government Accountability Office to support the oversight of—

- 6 (1) the distribution and use of funds appropriated under this Act; and
- 7 (2) whether the economic, social, and environmental impacts of the funds described in
8 paragraph (1) are equitable.

9 **SEC. 80006. OFFICE OF MANAGEMENT AND BUDGET**
10 **OVERSIGHT.**

11 In addition to amounts otherwise available, there are appropriated to the Director of the Office
12 of Management and Budget for fiscal year 2022, out of any money in the Treasury not otherwise
13 appropriated, \$25,000,000, to remain available until September 30, 2026, for necessary expenses
14 to—

- 15 (1) support the implementation of this Act and the Justice40 Initiative; and
- 16 (2) track labor, equity, and environmental standards and performance.

17 **SEC. 80007. GENERAL SERVICES ADMINISTRATION**
18 **EMERGING TECHNOLOGIES.**

19 In addition to amounts otherwise available, there is appropriated to the Administrator of
20 General Services for fiscal year 2022, out of any money in the Treasury not otherwise
21 appropriated, \$975,000,000, to remain available until September 30, ~~2031~~ **2026**, for emerging
22 and sustainable technologies, and related sustainability and environmental programs.

23 **SEC. 80008. GENERAL SERVICES ADMINISTRATION**
24 **PROCUREMENT AND TECHNOLOGY.**

25 In addition to amounts otherwise available, there is appropriated to the Administrator of
26 General Services for fiscal year 2022 out of any money in the Treasury not otherwise
27 appropriated, \$3,250,000,000, to remain available until September 30, ~~2031~~ **2026**, for the
28 purchase of goods, services, and systems to improve energy efficiency, promote the purchase of
29 lower-carbon materials, and reduce the carbon footprint.

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TITLE IX—COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY

~~SECTION~~ SEC. 90001. DEPARTMENT OF ENERGY RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES.

(a) Office of Energy Efficiency and Renewable Energy.—In addition to amounts otherwise available, there is appropriated to the Department of Energy Office of Energy Efficiency and Renewable Energy for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$1,000,000,000, to remain available until September 30, 2026, to carry out demonstration projects, including demonstration of advanced—

- (1) building technologies;
- (2) solar energy technologies;
- (3) geothermal energy technologies;
- (4) wind energy technologies;
- (5) water power technologies;
- (6) bioenergy technologies; and
- (7) vehicle technologies.

(b) Office of Science.—In addition to amounts otherwise available, there is appropriated to the Office of Science of the Department of Energy for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2026—

- (1) \$100,000,000 to carry out the low-dose radiation research program established under section 306(c) of the Department of Energy Research and Innovation Act (42 U.S.C. 18644(c)(1));
- (2) \$200,000,000 to carry out the fusion materials research and development program established under section 307(b) of the Department of Energy Research and Innovation Act (42 U.S.C. 18645(b));
- (3) \$200,000,000 to carry out the alternative and enabling fusion energy concepts program established under section 307(e) of the Department of Energy Research and Innovation Act (42 U.S.C. 18645(e));
- (4) \$325,000,000 to carry out the milestone-based fusion energy development program established under section 307(i) of the Department of Energy Research and Innovation Act (42 U.S.C. 18645(i));
- (5) \$140,000,000 to carry out the program of research and technology development in inertial fusion for energy applications established under section 307(d) of the Department of Energy Research and Innovation Act (42 U.S.C. 18645(d)); and
- (6) \$20,000,000 to carry out the fusion reactor system design activities authorized in

1 section 307(j) of the Department of Energy Research and Innovation Act (42 U.S.C.
2 18645(j)).

3 (c) Office of Fossil Energy and Carbon Management.—In addition to amounts otherwise
4 available, there is appropriated to the Department of Energy Office of Fossil Energy and Carbon
5 Management for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
6 \$10,000,000, to remain available until September 30, 2026, to carry out on-site demonstration
7 projects on the reduction of environmental impacts of produced water.

8 (d) Diversity Support.—In addition to amounts otherwise available, there is appropriated to
9 the Department of Energy Office of Economic Impact and Diversity for fiscal year 2022, out of
10 any money in the Treasury not otherwise appropriated, \$5,000,000, to remain available until
11 September 30, 2026, to support programs across the Department’s civilian research,
12 development, demonstration, and commercial application activities.

13 **SEC. 90002. AVAILABILITY OF HIGH-ASSAY** 14 **LOW-ENRICHED URANIUM.**

15 (a) Appropriations.—In addition to amounts otherwise available, there is appropriated
16 to the Secretary of Energy for fiscal year 2022, out of any money in the Treasury not
17 otherwise appropriated, to remain available until September 30, 2026, \$500,000,000 to
18 carry out the program elements described in subparagraphs (D) through (H) of section
19 2001(a)(2) of the Energy Act of 2020 (42 U.S.C. 16281(a)(2)), and for related administrative
20 expenses.

21 (b) Competitive Procedures.—To the maximum extent practicable, the Department of
22 Energy shall, in a manner consistent with section 989 of the Energy Policy Act of 2005 (42
23 U.S.C. 16353), use a competitive, merit-based review process in carrying out research,
24 development, demonstration, and deployment activities under section 2001 of the Energy
25 Act of 2020 (42 U.S.C. 16281).

26 **SEC. 90003. AIR QUALITY AND CLIMATE RESEARCH.**

27 In addition to amounts otherwise available, there is appropriated to the Environmental
28 Protection Agency for fiscal year 2022, out of any money in the Treasury not otherwise
29 appropriated, \$100,000,000, to remain available until September 30, 2026, for air quality and
30 climate research under section 103 of the Clean Air Act (42 U.S.C. 7403) in support of research
31 related to climate change mitigation, adaptation and resilience activities to help reduce the
32 impacts of climate change on human health and welfare; the issuance of award grants for the
33 collection of regional and local climate data to better estimate the economic impacts of climate
34 change and support community-based responses to climate change to better anticipate, prepare
35 for, adapt to, and recover from climate-driven extreme events; research on the impacts of climate
36 change, and the cumulative impacts of pollution exposure, in low-income and disadvantaged
37 communities.

38 **SEC. ~~90003~~ 90004. PFAS REPLACEMENT ASSISTANCE TO** 39 **FIREFIGHTERS GRANTS.**

40 (a) In General.—In addition to amounts otherwise available, there is appropriated for fiscal

1 year 2022, out of any money in the Treasury not otherwise appropriated, \$95,000,000, to remain
2 available until September 30, 2030, to the Federal Emergency Management Agency for grants
3 for personal protective firefighting equipment and firefighting foam that does not contain
4 perfluoroalkyl or polyfluoroalkyl substances.

5 (b) Program Administration.—In addition to amounts otherwise available, there is
6 appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
7 \$5,000,000, to remain available until September 30, 2030, to the Federal Emergency
8 Management Agency for the administration and management of this section.

9 (c) Applications.—With respect to the grant program described in subsection (a), the
10 Administrator of the Federal Emergency Management Agency shall—

11 (1) require eligible applicants to submit an application at such time, in such form, and
12 containing such information and assurances as the Administrator of the Federal Emergency
13 Management Agency may require; and

14 (2) establish appropriate review and delivery mechanisms for an application submitted
15 under paragraph (1).

16 **SEC. ~~90004~~ 90005. NATIONAL AERONAUTICS AND** 17 **SPACE ADMINISTRATION INFRASTRUCTURE.**

18 In addition to amounts otherwise available, there are appropriated to the National Aeronautics
19 and Space Administration for fiscal year 2022, out of any money in the Treasury not otherwise
20 appropriated, ~~\$750,000,000~~ **\$748,000,000**, to remain available until September 30, 2028, for
21 repair, recapitalization, modification, modernization, and construction of physical infrastructure
22 and facilities, including related administrative expenses, consistent with the responsibilities
23 under sections 31502 and 31503 of title 51, United States Code.

24 **SEC. ~~90005~~ 90006. NATIONAL AERONAUTICS AND** 25 **SPACE ADMINISTRATION CLIMATE RESEARCH AND** 26 **DEVELOPMENT.**

27 In addition to amounts otherwise available, there are appropriated to the National Aeronautics
28 and Space Administration for fiscal year 2022, out of any money in the Treasury not otherwise
29 appropriated, to remain available until September 30, 2028—

30 (1) \$85,000,000 for research and development on subseasonal to seasonal models and
31 observations, climate resilience and sustainability, and for airborne instruments, campaigns,
32 and surface networks to understand, observe, and mitigate climate change and its impacts,
33 consistent with NASA's mission to expand human knowledge of the Earth, as carried out
34 through programs under the Earth Science Division, and for research and development
35 activities on upper atmospheric research, and for related administrative expenses;

36 (2) \$30,000,000 for investments in data management and processing to support research,
37 development, and applications to understand, observe, and mitigate climate change and its
38 impacts, consistent with NASA's mission to expand human knowledge of the Earth, as
39 carried out through programs under the Earth Science Division, and for related
40 administrative expenses;

1 (3) \$25,000,000 for research and development to support the wildfire fighting community
2 and improve wildfire fighting operations through new and existing programs under the
3 authority of the Administrator of the National Aeronautics and Space Administration, and
4 for related administrative expenses; and

5 (4) \$225,000,000 for aeronautics research and development on sustainable aviation,
6 consistent with sections 40701 and 40702 of title 51, United States Code, and for related
7 administrative expenses.

8 **SEC. ~~90006~~ 90007. NATIONAL AERONAUTICS AND**
9 **SPACE ADMINISTRATION OFFICE OF INSPECTOR**
10 **GENERAL.**

11 In addition to amounts otherwise available, there are appropriated to the National
12 Aeronautics and Space Administration for fiscal year 2022, out of money in the treasury
13 not otherwise appropriated, \$2,000,000, to remain available until September 30, 2030, for
14 the Office of Inspector General to provide oversight over the management of funds
15 appropriated under sections 90005 and 90006.

16 **SEC. 90008. NATIONAL INSTITUTE OF STANDARDS**
17 **AND TECHNOLOGY RESEARCH.**

18 In addition to amounts otherwise available, there is appropriated to the National Institute of
19 Standards and Technology for fiscal year 2022, out of any money in the Treasury not otherwise
20 appropriated \$100,000,000, to remain available until September 30, 2028, for research on the
21 impact of fire on structures and communities located at the Wildland Urban Interface under the
22 direction of the Institute, and for related administrative expenses.

23 **SEC. ~~90007~~ 90009. NATIONAL INSTITUTE OF**
24 **STANDARDS AND TECHNOLOGY HOLLINGS**
25 **MANUFACTURING EXTENSION PARTNERSHIP.**

26 In addition to amounts otherwise available, there is appropriated to the National Institute of
27 Standards and Technology for fiscal year 2022, out of any money in the Treasury not otherwise
28 appropriated, \$260,000,000, to remain available until September 30, 2028, for the Hollings
29 Manufacturing Extension Partnership of the National Institute of Standards and Technology and
30 for related administrative expenses.

31 **SEC. ~~90008~~ 90010. NATIONAL INSTITUTE OF**
32 **STANDARDS AND TECHNOLOGY MANUFACTURING.**

33 In addition to amounts otherwise available, there is appropriated to the National Institute of
34 Standards and Technology for fiscal year 2022, out of any money in the Treasury not otherwise
35 appropriated—

36 (1) \$220,000,000, to remain available until September 30, 2028, to provide funds for
37 advanced manufacturing research, development, and testbeds, through new and existing

1 programs and public private partnerships, and for related administrative expenses; and

2 (2) \$20,000,000, to remain available until September 30, 2028, for the development and
3 execution of a cybersecurity workforce training center, and for related administrative
4 expenses.

5 **SEC. ~~90009~~ 90011. NATIONAL INSTITUTE OF**
6 **STANDARDS AND TECHNOLOGY RESEARCH**
7 **INFRASTRUCTURE.**

8 In addition to amounts otherwise available, there is appropriated to the National Institute of
9 Standards and Technology for fiscal year 2022, out of any money in the Treasury not otherwise
10 appropriated, \$650,000,000, to remain available until September 30, 2028, for the upgrade,
11 replacement, maintenance, or renovation of facilities and equipment as necessary to conduct
12 laboratory activities, and for related administrative expenses.

13 **SEC. ~~90010~~ 90012. OCEANIC AND ATMOSPHERIC**
14 **RESEARCH AND FORECASTING FOR WEATHER AND**
15 **CLIMATE.**

16 (a) Forecasting and Research.—In addition to amounts otherwise available, there is
17 appropriated to the National Oceanic and Atmospheric Administration for fiscal year 2022, out
18 of any money in the Treasury not otherwise appropriated, \$200,000,000, to remain available
19 until September 30, 2026, to accelerate advances and improvements in research, observation
20 systems, modeling, forecasting, assessments, and dissemination of information to the public as it
21 pertains to ocean and atmospheric processes related to weather, coasts, oceans, and climate, and
22 to carry out section 102(a) of the Weather Research and Forecasting Innovation Act of 2017 (15
23 U.S.C. 8512(a)), and for related administrative expenses.

24 (b) Research Grants and Science Information, Products, and Services.—In addition to amounts
25 otherwise available, there are appropriated to the National Oceanic and Atmospheric
26 Administration for fiscal year 2022, out of any money in the Treasury not otherwise
27 appropriated, to remain available until September 30, 2026—

28 (1) \$100,000,000 for competitive grants to fund climate research as it relates to weather,
29 ocean, coastal, and atmospheric processes and conditions, and impacts to marine species
30 and coastal habitat, and for related administrative expenses; and

31 (2) \$100,000,000 for education and training pursuant to section 4002(b)(2) of the
32 America COMPETES Act (33 U.S.C. 893a(b)(2)), and for increased development and
33 dissemination of climate science information, products, and services, in support of climate
34 adaptation preparedness as it relates to weather, ocean, coastal, and atmospheric processes
35 and conditions, impacts to marine species and coastal habitat, and for related administrative
36 expenses.

37 (c) **Research Infrastructure and Procurement.**—In addition to amounts otherwise
38 available, there are appropriated to the National Oceanic and Atmospheric Administration
39 for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
40 \$100,000,000, to remain available until September 30, 2026, for the provision of research

1 **infrastructure that improves accuracy, timing, and dissemination of public information**
2 **concerning extreme climate and weather and for procurements necessary to support the**
3 **activities described in subsections (a) and (b), and for related administrative expenses.**

4 **SEC. 90013 ~~SEC. 90014~~. CLIMATE EDUCATION.**

5 In addition to amounts otherwise available, there is appropriated to the National Oceanic and
6 Atmospheric Administration for fiscal year 2022, out of any money in the Treasury not
7 otherwise appropriated, \$20,000,000, to remain available until September 30, 2026, for contracts,
8 grants, and technical assistance for education activities and materials under section 4002(b)(2) of
9 the America COMPETES Act (33 U.S.C. 893a(b)(2)) related to improving public understanding
10 of climate change as it relates to weather, ocean, coastal, and atmospheric processes and
11 conditions and marine fisheries and resources, and for related administrative expenses. None of
12 the funds provided by this subsection shall be subject to cost-sharing or matching requirements.

13 **SEC. ~~90012~~ 90014. COMPUTING CAPACITY AND**
14 **RESEARCH FOR WEATHER, OCEANS, AND CLIMATE.**

15 In addition to amounts otherwise available, there is appropriated to the National Oceanic and
16 Atmospheric Administration for fiscal year 2022, out of any money in the Treasury not
17 otherwise appropriated, \$200,000,000, to remain available until September 30, 2026, for the
18 procurement of additional high-performance computing, data processing capacity, data
19 management, and storage assets, to carry out section 204(a)(2) of the High-Performance
20 Computing Act of 1991 (15 U.S.C. 5524(a)(2)), and for transaction agreements authorized under
21 section 301(d)(1)(A) of the Weather Research and Forecasting Innovation Act of 2017 (15
22 U.S.C. 8531(d)(1)(A)), and for related administrative expenses.

23 **SEC. ~~90013~~ 90015. ACQUISITION OF HURRICANE**
24 **FORECASTING AIRCRAFT.**

25 In addition to amounts otherwise available, there is appropriated to the National Oceanic and
26 Atmospheric Administration for fiscal year 2022, out of any money in the Treasury not
27 otherwise appropriated, \$139,000,000, to remain available until September 30, 2026, for the
28 acquisition of hurricane hunter aircraft under section 413(a) of the Weather Research and
29 Forecasting Innovation Act of 2017 (15 U.S.C. 8549(a)).

30 **SEC. ~~90014~~ 90016. NATIONAL SCIENCE FOUNDATION**
31 **CORE RESEARCH.**

32 In addition to amounts otherwise available, there is appropriated to the National Science
33 Foundation (referred to in this section as “the Foundation”) for fiscal year 2022, out of any
34 money in the Treasury not otherwise appropriated—

35 (1) ~~\$675,000,000~~ **\$668,000,000**, to remain available until September 30, 2026, to fund or
36 extend new and existing research awards, traineeships, scholarships, and fellowships
37 administered by the National Science Foundation, across all science, technology,
38 engineering, and mathematics disciplines supported by the National Science Foundation,
39 and for related administrative expenses;

1 (2) \$25,000,000, to remain available until September 30, 2028, for activities and research
2 to ensure broad demographic participation in the activities of the Foundation, consistent
3 with the goals under section 526(a)(7) of the America COMPETES Reauthorization Act of
4 2010 (42 U.S.C. 1862p-14(a)(7)) and section 3(e) of the National Science Foundation Act
5 of 1950 (42 U.S.C. 1862(e)), and for related administrative expenses; and

6 (3) \$500,000,000, to remain available until September 30, 2028, for climate change
7 research as it relates to fundamental understanding of physical, chemical, biological, and
8 human systems and the interactions among them, and for related administrative expenses.

9 **SEC. ~~90015~~ 90017. NATIONAL SCIENCE FOUNDATION**
10 **TECHNOLOGY, INNOVATION, AND PARTNERSHIPS**
11 **DIRECTORATE.**

12 In addition to amounts otherwise available, there is appropriated to the National Science
13 Foundation for fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

14 (1) \$1,520,000,000, to remain available until September 30, 2026, to fund and administer
15 the Directorate for Technology, Innovation, and Partnerships, which shall accelerate
16 use-inspired and translational research and the development, commercialization, and use of
17 technologies and innovations of national importance, including technologies and
18 innovations relevant to natural disaster mitigation and other societal challenges, through
19 programs of the National Science Foundation, and for related administrative expenses;

20 (2) \$25,000,000, to remain available until September 30, 2028, for research security
21 activities;

22 (3) \$200,000,000, to remain available until September 30, 2028, for research capacity
23 building at historically Black colleges and universities, Tribal Colleges and Universities,
24 Hispanic-serving institutions, and other minority-serving institutions, administered through
25 the Directorate for Technology, Innovation, and Partnerships, and for related administrative
26 expenses; and

27 (4) \$55,000,000, to remain available until September 30, 2028, to fund cybersecurity
28 education and training, including scholarships, through programs of the National Science
29 Foundation, and for related administrative expenses.

30 **SEC. ~~90016~~ 90018. NATIONAL SCIENCE FOUNDATION**
31 **RESEARCH INFRASTRUCTURE.**

32 In addition to amounts otherwise available, there is appropriated to the National Science
33 Foundation for fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

34 (1) \$200,000,000 to remain available until September 30, 2026, for the repair, renovation,
35 or, in exceptional cases, replacement of obsolete science and engineering facilities primarily
36 devoted to research and research training, and for related administrative expenses;

37 (2) \$200,000,000, to remain available until September 30, 2026, for additional mid-scale
38 and major research instrumentation, equipment, and infrastructure awards under the
39 direction of the National Science Foundation, and for related administrative expenses; and

1 (3) \$100,000,000, to remain available until September 30, 2028, for academic research
2 facilities modernization and research instrumentation, including construction, upgrade,
3 renovation, or repair of research infrastructure, at historically Black colleges and
4 universities, Tribal Colleges and Universities, Hispanic-serving institutions, and other
5 minority-serving institutions, through programs of the National Science Foundation, and for
6 related administrative expenses.

7 **SEC. 90019. NATIONAL SCIENCE FOUNDATION**
8 **OVERSIGHT.**

9 **In addition to amounts otherwise available, there is appropriated to the National Science**
10 **Foundation for fiscal year 2022, out of any money in the Treasury not otherwise**
11 **appropriated, \$7,000,000, to remain available until September 30, 2030, for administrative**
12 **expenses of the Inspector General relating to oversight of funds provided to the National**
13 **Science Foundation under this Act.**

House Office of Legislative Counsel

CompareRite of C:\TEMP\HOLCDOCS\RECON_SB.XML and C:\TEMP\HOLCDOCS\YARMUT_021.XML

- 1 This redlined draft, generated by CompareRite (TM) - The Instant Redliner, shows the
- 2 differences between -
- 3 original document : C:\TEMP\C\TEMP\HOLCDOCS\RECON_SB.RTF
- 4 and revised document: C:\TEMP\C\TEMP\HOLCDOCS\YARMUT_021.RTF
- 5
- 6 CompareRite found 17 change(s) in the text
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- 8 Deletions appear as Overstrike text
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TITLE X—COMMITTEE ON SMALL BUSINESS

Subtitle A—Increasing Federal Contracting Opportunities for Small Businesses

SEC. 100101. VETERAN FEDERAL PROCUREMENT ENTREPRENEURSHIP TRAINING PROGRAM.

(a) Appropriations.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$35,000,000, to remain available until September 30, 2030, for carrying out subsection (h) of section 32 of the Small Business Act (15 U.S.C. 657b), as added by this section.

(b) Establishment.—Section 32 of the Small Business Act (15 U.S.C. 657b) is amended by adding at the end the following:

“(h) Veteran Federal Procurement Entrepreneurship Training Program.—The Administrator, acting through the Associate Administrator, shall make grants to, or enter into cooperative agreements with, nonprofit entities to operate a Federal procurement entrepreneurship training program to provide assistance to small business concerns owned and controlled by veterans regarding how to increase the likelihood of being awarded contracts with the Federal Government. A grant or cooperative agreement under this subsection—

“(1) shall be made to or entered into with nonprofit entities that have a track record of successfully providing educational and job training services to veteran populations from diverse locations; and

“(2) shall include terms under which the nonprofit entities shall use a diverse group of professional service experts, such as Federal, State, and local contracting experts and private sector industry experts with first-hand experience in Federal Government contracting, to provide assistance to small business concerns owned and controlled by veterans through a program operated under this section.”.

SEC. 100102. EXPANDING SURETY BOND PROGRAM.

(a) Appropriations.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2031—

(1) \$85,000,000 for additional capital for the fund established under section 412 of the Small Business Investment Act of 1958 (15 U.S.C. 694c); and

(2) \$15,000,000 for administrative expenses and oversight costs related to carrying out this section, and any amendments made by this section.

(b) Expanding Surety Bond Program.—Part B of title IV of the Small Business Investment Act of 1958 is amended—

1 (1) in section 411—

2 (A) in subsection (a)(1)—

3 (i) in subparagraph (A), by striking “\$6,500,000” and inserting “\$10,000,000”;
4 and

5 (ii) by amending subparagraph (B) to read as follows:

6 “(B) The Administrator may guarantee a surety under subparagraph (A) for a total
7 work order or contract in an amount that does not exceed \$20,000,000.”; and

8 (B) in subsection (e)(2), by striking “\$6,500,000” and inserting “the amount
9 described in subparagraph (A) or (B) of subsection (a)(1), as applicable”; and

10 (2) in section 412(a) (15 U.S.C. 694c(a)), in the third sentence, by striking “, excluding
11 administrative expenses,”.

12 Subtitle B—Empowering Small Business Creation and 13 Expansion in Underrepresented Communities

14 SEC. 100201. FUNDING FOR UPLIFT INCUBATORS.

15 (a) Appropriations.—In addition to amounts otherwise available, there is appropriated to the
16 Small Business Administration for fiscal year 2022, out of any money in the Treasury not
17 otherwise appropriated, to remain available until September 30, 2031—

18 (1) \$850,000,000 for carrying out section 49 of the Small Business Act, as added by
19 subsection (b); and

20 (2) \$150,000,000 for administrative expenses and costs related to carrying out section 49
21 of the Small Business Act, as added by subsection (b).

22 (b) Establishment.—The Small Business Act is amended—

23 (1) by redesignating section 49 (15 U.S.C. 631 note) as section 54; and

24 (2) by inserting after section 48 the following:

25 “SEC. 49. UPLIFT INCUBATORS.

26 “(a) Definitions.—In this section:

27 “(1) ECONOMIC DEVELOPMENT ORGANIZATION.—The term ‘economic development
28 organization’—

29 “(A) means a regional, State, tribal, or local private nonprofit organization
30 established for purposes of promoting or otherwise facilitating economic development;
31 and

32 “(B) includes community financial institutions, as defined in section 7(a)(36)(A).

33 “(2) ELIGIBLE APPLICANT.—The term ‘eligible applicant’ means—

34 “(A) an economic development organization;

35 “(B) an SBA partner organization;

- 1 “(C) a historically Black college or university;
- 2 “(D) an institution of higher education, as ~~defined~~ **described** in section ~~404~~ **371(a)**
- 3 of the Higher Education Act of 1965, which primarily educates students who are Black
- 4 or African American, Hispanic or Latino, American Indian, Alaska Native, Asian,
- 5 Native Hawaiian, or other Pacific Islander; or
- 6 “(E) a junior or community college, as defined in section 312(f) of the Higher
- 7 Education Act of 1965.
- 8 “(3) ELIGIBLE SMALL BUSINESS CONCERN.—The term ‘eligible small business concern’
- 9 means a business concern that—
- 10 “(A) is organized or incorporated in the United States;
- 11 “(B) is operating primarily in the United States;
- 12 “(C) meets—
- 13 “(i) the applicable industry-based size standard established under section 3; or
- 14 “(ii) the alternate size standard applicable to the program under section 7(a) or
- 15 the loan programs under title V of the Small Business Investment Act of 1958;
- 16 “(D) is—
- 17 “(i) in the planning stages or has been in business for not more than 5 years as
- 18 of the date on which assistance under this section commences; or
- 19 “(ii) a small government contractor; and
- 20 “(E) is—
- 21 “(i) owned and controlled by 1 or more members of an underrepresented
- 22 community; or
- 23 “(ii) a Native Entity.
- 24 “(4) HISTORICALLY BLACK COLLEGE OR UNIVERSITY.—The term ‘historically Black
- 25 college or university’ means a ‘part B institution’, as defined in section 322 of the Higher
- 26 Education Act of 1965.
- 27 “(5) MEMBER OF AN UNDERREPRESENTED COMMUNITY.—The term ‘member of an
- 28 underrepresented community’ means an individual—
- 29 “(A) who is a resident of—
- 30 “(i) a low-income community, as defined in section 45D(e) of the Internal
- 31 Revenue Code of 1986;
- 32 “(ii) a low-income rural community; or
- 33 “(iii) a HUBZone, as defined in section 31(b);
- 34 “(B) who is a member of an Indian or Alaska Native tribe, band, nation, pueblo,
- 35 village, community, component band, or component reservation, individually
- 36 identified (including parenthetically) in the most recent list published pursuant to
- 37 section 104 of the Federally Recognized Indian Tribe List Act of 1994;

1 “(C) with a disability, as defined in section 3 of the Americans with Disabilities Act
2 of 1990;

3 “(D) who is a veteran;

4 “(E) who completed a term of imprisonment; or

5 “(F) who is otherwise identified by the Administrator.

6 “(6) NATIVE ENTITY.—The term ‘Native Entity’ means—

7 “(A) an ~~Indian tribe~~ **Alaska Native Corporation**, as defined in section 4 of the
8 ~~Indian Self-Determination and Education Assistance Act, including an Alaska Native~~
9 ~~village or Regional or Village Corporation~~ **3(m) of the Alaska Native Claims**
10 **Settlement Act**; and

11 “(B) a Native Hawaiian organization, as defined in section 6207 of the Elementary
12 and Secondary Education Act of 1965.

13 “(7) SBA PARTNER ORGANIZATION.—The term ‘SBA partner organization’ means any
14 organization awarded financial assistance in the form of a grant, prize, cooperative
15 agreement, or contract for the purpose of conducting a public project funded, either in
16 whole or in part, under a program of the Administration.

17 “(8) SMALL GOVERNMENT CONTRACTOR.—The term ‘small government contractor’
18 means a small business concern that is performing a government contract or subcontract.

19 “(9) UPLIFT INCUBATOR.—The term ‘uplift incubator’ means an organization that is
20 designed to accelerate the growth and success of startups and small business concerns
21 through a variety of business support resources and services, including—

22 “(A) access to physical workspace and facilities;

23 “(B) access to capital, business education, and counseling;

24 “(C) networking opportunities;

25 “(D) mentorship opportunities;

26 “(E) assistance in becoming prime contractors and submitting bids for prime
27 contracts;

28 “(F) conducting market research, drafting statements, and identifying acquisition
29 authorities under which eligible small business concerns assisted under this section
30 may enter into Federal contracts or agreements; and

31 “(G) other services intended to aid in developing a business.

32 “(b) Authority.—The Administrator may provide financial assistance on a competitive basis in
33 the form of a grant, prize, cooperative agreement, or contract to an eligible applicant for purposes
34 of—

35 “(1) providing the services of a uplift incubator to eligible small business concerns; or

36 “(2) expanding or establishing a network of the eligible applicant to provide the services
37 of a uplift incubator to eligible small business concerns.

38 “(c) Use of Funds.—An eligible applicant that receives assistance under this section—

1 “(1) shall support areas that serve members of an underrepresented community by
2 providing the services of a uplift incubator; and

3 “(2) shall not impose or otherwise collect a fee or other compensation from eligible small
4 business concerns in connection with the provision of such services.

5 “(d) Penalties for Failure to Abide by Terms or Conditions of Award.—At the discretion of the
6 Administrator and in addition to any other civil or criminal consequences, the Administrator
7 shall withhold payments to an eligible applicant or order the eligible applicant to return any
8 assistance provided under this section for failure to abide by the terms and conditions of such
9 assistance.”

10 SEC. 100202. OFFICE OF NATIVE AMERICAN AFFAIRS.

11 (a) Appropriations.—In addition to amounts otherwise available, there is appropriated to the
12 Small Business Administration, out of any money in the Treasury not otherwise appropriated for
13 fiscal year 2022, \$10,000,000, to remain available until September 30, 2029, to carry out section
14 50 of the Small Business Act, as added by subsection (b).

15 (b) Establishment.—The Small Business Act is amended by inserting after section 49, as
16 added by section 100201 of this title, the following:

17 “SEC. 50. OFFICE OF NATIVE AMERICAN AFFAIRS.

18 “(a) Definitions.—In this section:

19 “(1) **ALASKA NATIVE CORPORATION.**—The term ‘Alaska Native Corporation’ has the
20 meaning given the term section 3(m) of the Alaska Native Claims Settlement Act.

21 “(2) **INDIAN TRIBE.**—The term ‘Indian Tribe’ ~~has the meaning given in section 4 of the~~
22 ~~Indian Self-Determination and Education Assistance Act.~~ **means any Indian or Alaska**
23 **Native tribe, band, nation, pueblo, village, community, component band, or**
24 **component reservation, individually identified (including parenthetically) in the most**
25 **recent list published pursuant to section 104 of the Federally Recognized Indian Tribe**
26 **List Act of 1994.**

27 “~~(3)~~“(3) **NATIVE AMERICAN.**—The term ‘Native American’ means a member of an Indian
28 Tribe.

29 “~~(3)~~“(4) **NATIVE HAWAIIAN ORGANIZATION.**—The term ‘Native Hawaiian Organization’
30 has the meaning given in section 6207 of the Elementary and Secondary Education Act of
31 1965.

32 “~~(4)~~“(5) **RESOURCE PARTNERS.**—The term ‘resource partners’ means—

33 “(A) small business development centers;

34 “(B) women’s business centers described in section 29;

35 “(C) chapters of the Service Corps of Retired Executives established under section
36 8(b)(1)(B); and

37 “(D) Veteran Business Outreach Centers described in section 32.

38 “(b) Establishment.—There is established in the Administration an Office of Native American

1 Affairs, in this section referred to as the ‘Office’, which shall provide entrepreneurship outreach
2 and development assistance to Native Americans, Native Hawaiian Organizations and members
3 thereof, **Alaska Native Corporations and members thereof**, and Indian Tribes, through the
4 Native American Outreach Program established under subsection (c).

5 “(c) Native American Outreach Program.—

6 “(1) ESTABLISHMENT.—The Administrator shall establish and administer a Native
7 American Outreach Program within the Office—

8 “(A) to ensure that small business concerns owned and controlled by Native
9 Americans, Native Hawaiian Organizations, **Alaska Native Corporations**, and Indian
10 Tribes, and Native American entrepreneurs have access to programs and services of
11 the Administration;

12 “(B) to provide information to State, local, and tribal governments and other
13 interested persons about Federal assistance available to small business concerns owned
14 and controlled by Native Americans, Native Hawaiian Organizations, **Alaska Native**
15 **Corporations**, and Indian Tribes, and Native American entrepreneurs; and

16 “(C) to ensure access to in-person and virtual counseling and training services to
17 small business concerns owned and controlled by Native Americans, Native Hawaiian
18 Organizations, **Alaska Native Corporations**, and Indian Tribes, and Native American
19 entrepreneurs.

20 “(2) SERVICES.—The services described in paragraph (1) shall include—

21 “(A) financial education on applying for and securing credit, loan guarantees, surety
22 bonds, and investment capital, managing financial operations, and preparing and
23 presenting financial statements and business plans;

24 “(B) education on management of a small business concern, including planning,
25 organizing, staffing, and marketing;

26 “(C) identifying market opportunities; and

27 “(D) implementing economic and business development strategies to improve
28 long-term job growth.”.

29 SEC. 100203. OFFICE OF RURAL AFFAIRS.

30 (a) Appropriations.—In addition to amounts otherwise available, there is appropriated to the
31 Small Business Administration, out of any money in the Treasury not otherwise appropriated for
32 fiscal year 2022, \$10,000,000, to remain available until September 30, 2029, to carry out
33 subsection (d) of section 26 of the Small Business Act (15 U.S.C. 653), as added by subsection
34 (b).

35 (b) Office of Rural Affairs.—Section 26 of the Small Business Act (15 U.S.C. 653) is
36 amended by adding at the end the following:

37 “(d) Rural Small Business Conferences.—The Office shall administer 1 or more annual Rural
38 Small Business Conferences, to be held in various regions of the United States. The purpose of
39 such Conferences shall be to—

1 “(1) promote policies and programs of the Administration specific to small business
2 concerns located in rural areas, and make publicly available information about such policies
3 and programs;

4 “(2) coordinate with all offices of the Administration, resource partners, lenders, and
5 other interested persons to ensure that the needs of small business concerns located in rural
6 area are being met; and

7 “(3) analyze data on the effectiveness of programs of the Administration that benefit
8 small business concerns located in rural areas.”.

9 SEC. 100204. OFFICE OF EMERGING MARKETS.

10 (a) Appropriations.—In addition to amounts otherwise available, there is appropriated to the
11 Small Business Administration, out of any money in the Treasury not otherwise appropriated in
12 fiscal year 2022, \$10,000,000, to remain available until September 30, 2029, to carry out
13 subsection (o) of section 7 of the Small Business Act (15 U.S.C. 636), as added by subsection
14 (b).

15 (b) Establishment.—Section 7 of the Small Business Act (15 U.S.C. 636) is amended by
16 adding at the end the following:

17 “(o) Office of Emerging Markets.—

18 “(1) DEFINITIONS.—In this subsection—

19 “(A) the term ‘Director’ means the Director of the Office of Emerging Markets;

20 “(B) the term ‘microloan program’ means the program described in subsection (m);

21 “(C) the term ‘small business concern in an emerging market’ means a small
22 business concern—

23 “(i) that is located in—

24 “(I) a low-income or moderate-income area for purposes of the
25 Community Development Block Grant Program under title I of the Housing
26 and Community Development Act of 1974; or

27 “(II) a HUBZone, as that term is defined in section 31(b);

28 “(ii) that is growing, newly established, or a startup;

29 “(iii) owned and controlled by veterans;

30 “(iv) owned and controlled by individuals with a disability, as defined in
31 section 3 of the Americans with Disabilities Act of 1990; or

32 “(v) owned and controlled by other individuals or groups identified by the
33 Administrator.

34 “(2) ESTABLISHMENT.—There is established within the Office of Capital Access of the
35 Administration an office to be known as the ‘Office of Emerging Markets’. The Office of
36 Emerging Markets shall be administered by a Director who shall be responsible for the
37 planning, coordination, implementation, evaluation, and improvement of the efforts of the
38 Administrator to enhance the economic well-being of small business concerns in an

1 emerging market.”.

2 SEC. 100205. STATE TRADE EXPANSION PROGRAM.

3 In addition to amounts otherwise available, there is appropriated to the Small Business
4 Administration for fiscal year 2022, out of any money in the Treasury not otherwise
5 appropriated—

6 (1) \$31,710,000, to remain available until September 30, 2027, to carry out section 22(1)
7 of the Small Business Act (15 U.S.C. 649(l)) in fiscal year 2023, and

8 (2) \$31,710,000, to remain available until September 30, 2027, to carry out section 22(1)
9 of the Small Business Act (15 U.S.C. 649(l)) in fiscal year 2024.

10 Subtitle C—Encouraging Small Businesses to Fully Engage in 11 the Innovation Economy

12 SEC. 100301. GROWTH ACCELERATOR COMPETITION.

13 (a) Appropriations.—In addition to amounts otherwise available, there is appropriated to the
14 Small Business Administration for fiscal year 2022, out of any money in the Treasury not
15 otherwise appropriated, to remain available until September 30, 2031—

16 (1) \$190,000,000 for carrying out section 51 of the Small Business Act, as added by
17 subsection (b); and

18 (2) \$10,000,000 for administrative expenses and oversight costs related to carrying out
19 section 51 of the Small Business Act, as added by subsection (b).

20 (b) In General.—The Small Business Act is amended by inserting after section 50, as added by
21 section 100202 of this title, the following:

22 “SEC. 51. GROWTH ACCELERATOR COMPETITION.

23 “(a) Definitions.—In this section:

24 “(1) AWARD.—The term ‘award’ means a grant, prize, contract, cooperative agreement,
25 or other cash or cash equivalent.

26 “(2) DISABILITY.—The term ‘disability’ has the meaning given the term in section 3 of
27 the Americans with Disabilities Act of 1990.

28 “(3) ELIGIBLE ENTITY.—The term ‘eligible entity’ means—

29 “(A) an eligible applicant, as defined in section 49; or

30 “(B) an organization that is a growth accelerator located in the United States.

31 “(4) GROWTH ACCELERATOR.—The term ‘growth accelerator’ means an organization
32 that—

33 “(A) supports new small business concerns that have a focus on technology,
34 research, and development;

35 “(B) works with a new small business concern for a predetermined amount of time;

1 “(C) provides mentorship and instruction to small business concerns to grow the
2 business concern; or

3 “(D) offers startup capital or the opportunity to raise capital from outside investors
4 to small business concerns.

5 “(5) NEW SMALL BUSINESS CONCERN.—The term ‘new small business concern’ means a
6 small business concern that has been in operation for not more than 5 years.

7 “(b) Establishment.—The Administrator shall make competitive awards of not less than
8 \$100,000 to eligible entities to accelerate the growth of new small business concerns by
9 providing—

10 “(1) assistance to small business concerns to access capital and find mentors and
11 networking opportunities; and

12 “(2) advice to small business concerns, including advising on market analysis, company
13 strategy, revenue growth, commercialization, and securing funding.

14 “(c) Use of Funds.—An award under this section—

15 “(1) may be used by an eligible entity recipient for construction costs, acquisition of
16 physical workspace and facilities, and programmatic purposes to benefit new small business
17 concerns; and

18 “(2) may not be used by an eligible entity recipient to provide capital to new small
19 business concerns directly or through the subaward of funds.

20 “(d) Penalties for Failure to Abide by Terms or Conditions of Award.—At the discretion of the
21 Administrator and in addition to any other civil or criminal consequences, the Administrator
22 shall withhold payments to an eligible entity or order the eligible entity to return an award made
23 under this section for failure to abide by the terms and conditions of the award.”.

24 **Subtitle D—Increasing Equity Opportunities**

25 **SEC. 100401. INCREASING EQUITY INVESTMENT IN THE** 26 **SBIC PROGRAM.**

27 (a) Appropriations.—In addition to amounts otherwise available, there is appropriated to the
28 Small Business Administration for fiscal year 2022, out of any money in the Treasury not
29 otherwise appropriated, \$20,000,000, to remain available until September 30, 2031, for carrying
30 out this section.

31 (b) Establishment.—The Small Business Investment Act of 1958, is amended—

32 (1) in section 103 (15 U.S.C. 662)—

33 (A) in paragraph (9)(B)(iii)—

34 (i) in subclause (II), by striking “and” at the end;

35 (ii) in subclause (III), by adding “and” at the end; and

36 (iii) by adding at the end the following:

37 “(IV) funds obtained from any financial institution identified under section

1 302(b);” and

2 (B) in paragraph (13)(C), by striking “in an aggregate amount that does not exceed
3 33 percent of the private capital of the applicant or licensee”; and

4 (2) in section 304 (15 U.S.C. 684), by adding at the end the following:

5 “(e) Notwithstanding section 310(c)(6), a licensee under section 321 may, subject to rules to
6 be issued by the Administration, invest equity capital in investment funds that—

7 “(1) are majority controlled by members of an underrepresented community, as defined
8 in section 49 of the Small Business Act;

9 “(2) receive annual assistance provided by such licensee; or

10 “(3) meet additional criteria as determined by the Administration.”; and

11 (3) by adding at the end of the following:

12 “SEC. 321. EMERGING MANAGERS PROGRAM.

13 “(a) Definitions.—In this section:

14 “(1) COVERED INVESTMENTS.—The term ‘covered investments’ means investments in—

15 “(A) infrastructure, including—

16 “(i) roads, bridges, and mass transit;

17 “(ii) water supply and sewer;

18 “(iii) the electrical grid;

19 “(iv) broadband and telecommunications;

20 “(v) clean energy; or

21 “(vi) child care and elder care;

22 “(B) manufacturing;

23 “(C) low-income communities, as that term is defined in section 45D(e) of the
24 Internal Revenue Code of 1986;

25 “(D) HUBZones, as defined in section 31(b) of the Small Business Act;

26 “(E) small business concerns owned and controlled by a member of an Indian tribe
27 individually identified (including parenthetically) in the most recent list published
28 pursuant to section 104 of the Federally Recognized Indian Tribe List Act of 1994;

29 “(F) small business concerns owned and controlled by an individual with a
30 disability, as defined in section 3 of the Americans with Disabilities Act of 1990;

31 “(G) small business concerns owned and controlled by a veteran; or

32 “(H) industries identified by the Administrator.

33 “(2) EMERGING MANAGER COMPANY.—The term ‘emerging manager company’ means an
34 investment management firm that is focused on investing private equity and that meets not
35 less than 2 of the following criteria:

- 1 “(A) The partners of the firm have—
2 “(i) an investment track record of less than 10 years of combined investment
3 experience; or
4 “(ii) a documented record of successful business experience.
5 “(B) The firm has a focus on underserved markets.
6 “(C) The firm is not less than 50 percent owned, managed, or controlled by members
7 of an underrepresented community (as defined in section 49 of the Small Business
8 Act).
- 9 “(b) Establishment.—The Administrator shall establish an emerging managers program
10 pursuant to which managers with substantial experience in operating small business investment
11 companies—
12 “(1) may enter into a written agreement approved by the Administrator to provide
13 guidance and assistance to an applicant for a license for a small business investment
14 company that is to be managed by an emerging manager company; and
15 “(2) may hold a minority financial interest in the small business investment company
16 described in paragraph (1).
- 17 “(c) Licensing.—An applicant described in subsection (b)(1) shall apply for a license under
18 section 301(c) and shall—
19 “(1) have private capital not to exceed \$100,000,000;
20 “(2) be managed by not less than two individuals;
21 “(3) be a second generation fund or earlier; and
22 “(4) focus its investment strategy on covered investments.
- 23 “(d) Waiver of Maximum Leverage.—The approval of a written agreement under subsection
24 (b) by the Administrator shall operate as a waiver of the requirements of section 303(b)(2)(B) to
25 the extent that such section would otherwise apply.
- 26 “(e) Increased Leverage Maximum.—An existing small business investment company that
27 enters into a written agreement under subsection (b) may receive an increase in the maximum
28 leverage cap of the company under section 303(b)(2)—
29 “(1) under subparagraph (A) of such section, with respect to a single license, by not more
30 than \$17,500,000; and
31 “(2) under subparagraph (B) of such section, with respect to multiple licenses under
32 common control, by not more than \$35,000,000.”.

33 **SEC. 100402. MICROCAP SMALL BUSINESS** 34 **INVESTMENT COMPANY LICENSE.**

- 35 (a) Appropriations.—In addition to amounts otherwise available, there is appropriated to the
36 Administration for fiscal year 2022, out of amounts in the Treasury not otherwise appropriated,
37 \$40,000,000, to remain available until September 30, 2031, to carry out paragraph (5) of section
38 301(c) of the Small Business Investment Act of 1958 (15 U.S.C. 681(c)), as added by subsection

1 (b).

2 (b) Microcap Small Business Investment Company License.—Section 301(c) of the Small
3 Business Investment Act of 1958 (15 U.S.C. 681(c)) is amended by adding at the end the
4 following:

5 “(5) MICROCAP SMALL BUSINESS INVESTMENT COMPANY LICENSE.—

6 “(A) IN GENERAL.—The Administrator may issue licenses under this subsection to
7 applicants—

8 “(i) that do not satisfy the qualification requirements under paragraph (3)(A)(ii)
9 to the extent that such requirements relate to investment experience and track
10 record, including any such requirements further set forth in section 107.305 of
11 title 13, Code of Federal Regulations, or any successor regulation;

12 “(ii) that would otherwise be issued a license under this subsection, except that
13 the management of the applicant does not satisfy the requirements under
14 paragraph (3)(A)(ii) to the extent that such requirements relate to investment
15 experience and track record, including any such requirements further set forth in
16 section 107.305 of title 13, Code of Federal Regulations, or any successor
17 regulation;

18 “(iii) for which the managers of such applicant have—

19 “(I) a documented record of successful business experience;

20 “(II) a record of business management success; or

21 “(III) knowledge in the particular industry or business for which the
22 applicant is pursuing an investment strategy; and

23 “(iv) that have demonstrated appropriate qualifications for the license, based on
24 factors determined by the Administrator.

25 “(B) REQUIRED INVESTMENTS.—A licensee under this paragraph shall invest not less
26 than 50 percent of the total financings of the licensee in covered investments (as
27 defined in section 321), of which not more than 33 percent of those investments are in
28 small business concerns in infrastructure or manufacturing.

29 “(C) LEVERAGE.—A company licensed pursuant to this paragraph shall—

30 “(i) not be eligible to receive leverage in an amount that is more than
31 \$50,000,000; and

32 “(ii) be able to access leverage in an amount that is not more than 200 percent
33 of the private capital of the company.

34 “(D) INVESTMENT COMMITTEE.—If a company licensed pursuant to this paragraph
35 has investment committee members or control persons who are principals approved by
36 the Administrator or control persons of licensed small business investment companies
37 not licensed under this paragraph, such licensee or licensees shall not be deemed to be
38 under common control with the company licensed pursuant to this paragraph solely for
39 the purpose of section 303(b)(2)(B).

40 “(E) FEES.—In addition to the fees authorized under sections 301(e) and 310(b), the

1 Administration may prescribe fees to be paid by each company designated to operate
2 under this paragraph.”.

3 SEC. 100403. FUNDING FOR SBIC OUTREACH AND 4 EDUCATION.

5 (a) Appropriations.—In addition to amounts otherwise available, there is appropriated to the
6 Small Business Administration for fiscal year 2022, out of any money in the Treasury not
7 otherwise appropriated, \$2,500,000, to remain available until September 30, 2031, for carrying
8 out this section.

9 (b) Outreach and Education.—The Administrator shall develop and implement a program to
10 promote to, conduct outreach to, and educate prospective licensees on the licensing procedures
11 and other programs of small business investment companies under title III of the Small Business
12 Investment Act of 1958.

13 Subtitle E—Increasing Access to Lending and Investment 14 Capital

15 SEC. 100501. FUNDING FOR COMMUNITY ADVANTAGE 16 LOAN PROGRAM.

17 (a) Appropriations.—In addition to amounts otherwise available, there is appropriated to the
18 Small Business Administration for fiscal year 2022, out of any money in the Treasury not
19 otherwise appropriated, to remain available until September 30, 2031—

20 (1) \$224,800,000 for carrying out paragraph (38) of section 7(a) of the Small Business
21 Act (15 U.S.C. 636(a)), as added by subsection (b);

22 (2) \$4,000,000 for the Administrator of the Small Business Administration to develop a
23 training course and provide free or low-cost training to covered institutions making loans
24 under the program established under such paragraph (38); and

25 (3) \$47,100,000 for administrative expenses related to carrying out such paragraph (38),
26 including issuing interim final rules.

27 (b) Establishment.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended by
28 adding at the end the following:

29 “(38) COMMUNITY ADVANTAGE LOAN PROGRAM.—

30 “(A) DEFINITIONS.—In this paragraph—

31 “(i) the term ‘covered institution’ means—

32 “(I) a development company, as defined in section 103 of the Small
33 Business Investment Act of 1958, participating in the loan program
34 established under title V of such Act;

35 “(II) a non-Federally regulated entity certified as a community
36 development financial institution under the Community Development
37 Banking and Financial Institutions Act of 1994;

1 “(III) an intermediary, as defined in subsection (m)(11), that is a nonprofit
2 organization and is participating in the microloan program under subsection
3 (m); and

4 “(IV) an eligible intermediary, as defined in subsection (l)(1), participating
5 in the small business intermediary lending pilot program established under
6 subsection (l)(2);

7 “(ii) the term ‘new business’ means a small business concern that has been in
8 business for not more than 2 years on the date on which a loan is made to the
9 small business concern under the program;

10 “(iii) the term ‘program’ means the Community Advantage Loan Program
11 established under subparagraph (B);

12 “(iv) the term ‘small business concern in an underserved market’ means a small
13 business concern—

14 “(I) that is located in—

15 “(aa) a low- to moderate-income community;

16 “(bb) a HUBZone, as that term is defined in section 31(b);

17 “(cc) a rural area; or

18 “(dd) any area for which a disaster declaration or determination
19 described in subparagraph (B), (C), or (E) of subsection (b)(2) has been
20 made that has not terminated more than 2 years (or later, as determined
21 by the Administrator) before the date on which a loan is made to such
22 concern under such subsection, or in any area for which a major disaster
23 described in subsection (b)(2)(A) has been declared, that period shall be
24 5 years; ~~or~~

25
26 “(II) that is a new business;

27 “(III) owned and controlled by veterans;

28 “(IV) owned and controlled by an individual who has completed a term of
29 imprisonment;

30 “(V) owned and controlled by an individual with a disability, as that term
31 is defined in section 3 of the Americans with Disabilities Act of 1990;

32 “(VI) owned and controlled by a member of an Indian tribe individually
33 identified (including parenthetically) in the most recent list published
34 pursuant to section 104 of the Federally Recognized Indian Tribe List Act of
35 1994; or

36 “(VII) otherwise identified by the Administrator.

37 “(B) ESTABLISHMENT.—There is established a Community Advantage Loan
38 Program under which the Administration may guarantee loans made by covered
39 institutions under this subsection, with an emphasis on loans made to small business

1 concerns in an underserved market.

2 “(C) REQUIREMENT TO MAKE LOANS TO UNDERSERVED MARKETS.—Not less than 60
3 percent of loans made by a covered institution under the program shall consist of loans
4 made to small business concerns in an underserved market.

5 “(D) MAXIMUM LOAN AMOUNT.—

6 “(i) IN GENERAL.—Except as provided in clause (ii), the maximum loan amount
7 for a loan guaranteed under the program is \$250,000.

8 “(ii) EXCEPTIONS.—

9 “(I) REQUESTED EXCEPTION.—

10 “(aa) IN GENERAL.—Upon request by a covered institution, the
11 Administrator may guarantee a loan under the program that is more than
12 \$250,000 and not more than \$350,000.

13 “(bb) NOTIFICATION.—As soon as practicable and not later than 14
14 business days after receiving a request under item (aa), the
15 Administration shall—

16 “(AA) review the request; and

17 “(BB) provide a decision regarding the request to the covered
18 institution making the loan.

19 “(II) MAJOR DISASTERS.—The maximum loan amount for a loan
20 guaranteed under the program that is made to a small business concern
21 located in an area affected by a major disaster described in subsection
22 (b)(2)(A) is \$350,000.

23 “(E) INTEREST RATES.—The maximum interest rate for a loan guaranteed under the
24 program shall not exceed the maximum interest rate, as determined by the
25 Administration, applicable to other loans guaranteed under this subsection.”.

26 SEC. 100502. FUNDING FOR CREDIT ENHANCEMENT 27 AND SMALL DOLLAR LOAN FUNDING.

28 (a) Appropriations.—In addition to amounts otherwise available, there is appropriated to the
29 Small Business Administration for fiscal year 2022, out of any money in the Treasury not
30 otherwise appropriated, to remain available until September 30, 2031—

31 (1) \$1,480,600,000 to carry out paragraph (39) of section 7(a) of the Small Business Act
32 (15 U.S.C. 636(a)), as added by subsection (b); and

33 (2) \$484,000,000 for administrative expenses related to carrying out such paragraph (39),
34 including issuing interim final rules within 90 days after the date of the enactment of this
35 title, of which \$25,000,000 is reserved for grants to conduct outreach to entities eligible to
36 receive a loan under such paragraph (39).

37 (b) Small Dollar Loan Funding.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)),
38 as amended by section 100501, is further amended—

1 (1) in paragraph (1)(A)(i), in the third sentence, by striking “; and” and all that follows
2 through the period at the end and inserting a period;

3 (2) in paragraph (4)(A), by striking the comma after “prescribed by the Administration”
4 and all that follows through the period at the end and inserting a period;

5 (3) in paragraph (26), by inserting “(except for those collected under paragraph (39))”
6 after “profits”; and

7 (4) by adding at the end the following:

8 “(39) SMALL DOLLAR LOAN FUNDING.—

9 “(A) DEFINITIONS.—In this paragraph:

10 “(i) SMALL GOVERNMENT CONTRACTOR.—The term ‘small government
11 contractor’ means a small business concern that is performing a government
12 contract.

13 “(ii) SMALL MANUFACTURER.—The term ‘small manufacturer’ means a small
14 business concern that is assigned a North American Industry Classification
15 System code beginning with 31, 32, or 33 at the time at which the small business
16 concern receives loan under this subsection.

17 “(B) DIRECT LOANS.—The Administrator is authorized to originate and disburse
18 direct loans, including through partnerships with third parties, to small business
19 concerns.

20 “(C) MAXIMUM LOAN SIZE.—Notwithstanding paragraph (3)(C) of this subsection, a
21 loan made in accordance with this paragraph shall be—

22 “(i) except as provided in clause (ii), not more than \$150,000; or

23 “(ii) not more than \$1,000,000, if the borrower is a small manufacturer or a
24 small government contractor.

25 “(D) FEES.—With respect to each loan made in accordance with this paragraph, the
26 Administrator, an authorized third party, or an agent may—

27 “(i) impose, collect, retain, and utilize fees, which may be charged to the
28 borrower, to cover any costs associated with referring applications or originating,
29 making, underwriting, disbursing, closing, servicing, or liquidating the loan,
30 including any direct lending agent costs, other program or contract costs, or other
31 agent administrative expenses;

32 “(ii) impose, collect, retain, and use fees (including unused fees and draw fees),
33 which may be charged to the borrower on loans for revolving lines of credit; and

34 “(iii) pay third parties, including direct lending agents and financial institutions,
35 with which the Administration partners for assistance in referring applicants or
36 promoting, originating, making, underwriting, disbursing, closing, servicing, or
37 liquidating loans in accordance with this paragraph on behalf of the
38 Administration.

39 “(E) TERMS.—Not later than 90 days after the date of the enactment of this
40 paragraph, the Administrator shall issue interim final rules and revise any relevant

1 rules to establish the terms and conditions for a direct loan, including repayment,
2 underwriting criteria, interest rate, maturity, and other terms of a loan made in
3 accordance with this paragraph.”.

4 SEC. 100503. EXTENSION OF TEMPORARY FEE 5 REDUCTIONS.

6 (a) Appropriations.—In addition to amounts otherwise available, there is appropriated to the
7 Small Business Administration for fiscal year 2022, out of any money in the Treasury not
8 otherwise appropriated, \$950,000,000, to remain available until September 30, 2026, for carrying
9 out this section and any amendments made by this section.

10 (b) 7(a) Loan Program.—Section 326 of the Economic Aid to Hard-Hit Small Businesses,
11 Nonprofits, and Venues Act (title III of division N of Public Law 116–260; 134 Stat. 2036; 15
12 U.S.C. 636 note) is amended—

13 (1) in subsection (a)(2), by striking “October 1, 2021” and inserting “October 1, 2026”;
14 and

15 (2) in subsection (b)(2), by striking “October 1, 2021” and inserting “October 1, 2026”.

16 (c) Other Fees.—Section 327 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits,
17 and Venues Act (title III of division N of Public Law 116–260; 134 Stat. 2037; 15 U.S.C. 636
18 note) is amended—

19 (1) in subsection (a)(1), by striking “September 30, 2021” and inserting “September 30,
20 2026”; and

21 (2) in subsection (b)(1), by striking “September 30, 2021” and inserting “September 30,
22 2026”.

23 SEC. 100504. FUNDING FOR COOPERATIVES.

24 (a) Appropriations.—In addition to amounts otherwise available, there is appropriated to the
25 Small Business Administration for fiscal year 2022, out of any money in the Treasury not
26 otherwise appropriated, \$100,000,000, to remain available until September 30, 2031, for carrying
27 out paragraph (40) of section 7(a) of the Small Business Act (15 U.S.C. 636(a)), as added by
28 subsection (b).

29 (b) Cooperative Lending Pilot.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)), as
30 amended by section 100502, is further amended by adding at the end the following:

31 “(40) COOPERATIVE LENDING PILOT.—

32 “(A) DEFINITIONS.—In this paragraph:

33 “(i) COMMUNITY FINANCIAL INSTITUTION.—The term ‘community financial
34 institution’ has the meaning given in paragraph (36)(A).

35 “(ii) COOPERATIVE.—The term ‘cooperative’—

36 “(I) means an entity determined by the Administrator to be a cooperative;
37 and

38 “(II) includes an entity owned by employees or consumers of the entity.

1 “(iii) ELIGIBLE EMPLOYEE-OWNED BUSINESS CONCERN.—The term ‘eligible
2 employee-owned business concern’ means—

3 “(I) a cooperative in which the employees of the cooperative are eligible
4 for membership;

5 “(II) a qualified employee trust; or

6 “(III) other employee-owned entities as determined by the Administrator.

7 “(iv) PILOT PROGRAM.—The term ‘pilot program’ means the pilot program
8 established under subparagraph (B).

9 “(B) ESTABLISHMENT.—There is established a pilot program under which the
10 Administrator shall guarantee loans (including loans made by community financial
11 institutions), without the requirement of a personal or entity guarantee, where such
12 loans shall be made to cooperatives or eligible employee-owned business concerns.

13 “(C) TERMINATION.—The pilot program shall terminate on the date that is 5 years
14 after the date of enactment of this paragraph.”.

15 (c) Delegated Lending Authority for Preferred Lenders.—Section 5(b)(7) of the Small
16 Business Act (15 U.S.C. 634(b)(7)) is amended by striking “paragraph (15) or (35)” and
17 inserting “paragraph (15), (35), or (40)”.

18 **Subtitle F—Supporting Entrepreneurial Second Chances**

19 **SEC. 100601. REENTRY ENTREPRENEURSHIP** 20 **COUNSELING AND TRAINING FOR INCARCERATED** 21 **AND FORMERLY INCARCERATED INDIVIDUALS.**

22 (a) Reentry Entrepreneurship Counseling and Training for Incarcerated Individuals.—

23 (1) APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated
24 to the Small Business Administration, out of money in the Treasury not otherwise
25 appropriated for fiscal year 2022, \$35,000,000, to remain available until September 30,
26 2029, to carry out section 52 of the Small Business Act, as added by paragraph (2).

27 (2) IN GENERAL.—The Small Business Act is amended by inserting after section 51, as
28 added by section 100301 of this title, the following:

29 **“SEC. 52. REENTRY ENTREPRENEURSHIP COUNSELING** 30 **AND TRAINING FOR INCARCERATED INDIVIDUALS.**

31 “(a) Definitions.—In this section:

32 “(1) COVERED INDIVIDUAL.—The term ‘covered individual’ means an individual who is
33 completing a term of imprisonment in a facility designated as a minimum, low, or medium
34 security.

35 “(2) RESOURCE PARTNERS.—The term ‘resource partners’ means a small business
36 development center (defined in section 3) or a women’s business center (described under
37 section 29).

1 “(b) Establishment.—The Administrator shall coordinate with resource partners and
2 associations formed to pursue matters of common concern to resource partners to provide
3 entrepreneurship counseling and training services to covered individuals pursuant to subsection
4 (c).

5 “(c) Use of Funds.—Amounts made available under this section shall be used to—

6 “(1) develop and deliver a curriculum, including classroom instruction and in-depth
7 training to develop skills related to business planning and financial literacy;

8 “(2) train mentors and instructors;

9 “(3) establish public-private partnerships to support covered individuals; and

10 “(4) identify opportunities to access capital.”.

11 (b) Reentry Entrepreneurship Counseling and Training for Formerly Incarcerated
12 Individuals.—

13 (1) APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated
14 to the Small Business Administration, out of any money in the Treasury not otherwise
15 appropriated for fiscal year 2022, \$35,000,000, to remain available until September 30,
16 2029, to carry out section 53 of the Small Business Act, as added by paragraph (2).

17 (2) IN GENERAL.—The Small Business Act is amended by inserting after section 52, as
18 added by subsection (a), the following:

19 **“SEC. 53. REENTRY ENTREPRENEURSHIP COUNSELING**
20 **AND TRAINING FOR FORMERLY INCARCERATED**
21 **INDIVIDUALS.**

22 “(a) Covered Individual Defined.—In this section, the term ‘covered individual’ means an
23 individual who completed a term of imprisonment.

24 “(b) Establishment.—The Administrator shall establish a program under which the Service
25 Corps of Retired Executives authorized by section 8(b)(1)(B) shall provide entrepreneurship
26 counseling and training services to covered individuals on a nationwide basis.

27 “(c) Use of Funds.—Amounts made available under this section shall be used by the Service
28 Corps of Retired Executives for providing to covered individuals the following services:

29 “(1) Regular individualized mentoring sessions to identify and support development of
30 the business plans of covered individuals.

31 “(2) Workshops on topics specifically tailored to meet the needs of covered individuals.

32 “(3) Instructional videos designed specifically for covered individuals on how to start or
33 expand a small business concern.”.

34 **SEC. 100602. NEW START ENTREPRENEURIAL**
35 **DEVELOPMENT PROGRAM FOR FORMERLY**
36 **INCARCERATED INDIVIDUALS.**

1 (a) Appropriations.—In addition to amounts otherwise available, there is appropriated to the
2 Small Business Administration, out of any money in the Treasury not otherwise appropriated for
3 fiscal year 2022, \$35,000,000, to remain available until September 30, 2029, for carrying out this
4 section.

5 (b) Definitions.—In this section—

6 (1) COVERED INDIVIDUAL.—The term “covered individual” means an individual who—

7 (A) completed a term of imprisonment; and

8 (B) meets the offense eligibility requirements set forth in any applicable policy
9 notice or other guidance issued by the Small Business Administration for the program
10 established under section 7(m) of the Small Business Act (15 U.S.C. 636(m)).

11 (2) INTERMEDIARY; MICROLOAN.—The terms “intermediary” and “microloan” have the
12 meanings given those terms, respectively, in section 7(m)(11) of the Small Business Act (15
13 U.S.C. 636(m)(11)).

14 (3) PARTICIPATING LENDER.—The term “participating lender” means a participating
15 lender described under section 7(a) of the Small Business Act (15 U.S.C. 636(a)).

16 (4) PILOT PROGRAM.—The term “pilot program” means the pilot program established
17 under subsection (b).

18 (5) RESOURCE PARTNER.—The term “resource partner” means—

19 (A) a small business development center (defined in section 3 of the Small Business
20 Act (15 U.S.C. 632));

21 (B) a women’s business center (described under section 29 of such Act (15 U.S.C.
22 656));

23 (C) a chapter of the Service Corps of Retired Executives (established under section
24 8(b)(1)(B) of such Act ((15 U.S.C. 637(b)(1)(B))); and

25 (D) a Veteran Business Outreach Center (described under section 32 of such Act (15
26 U.S.C. 657b)).

27 (c) Establishment.—The Administrator shall establish a pilot program to award grants to
28 organizations, or partnerships of organizations, to provide assistance to covered individuals
29 throughout the United States.

30 (d) Application.—

31 (1) IN GENERAL.—An organization or partnership of organizations desiring a grant under
32 the pilot program shall submit an application to the Administrator in such form, in such
33 manner, and containing such information as the Administrator may reasonably require.

34 (2) CONTENTS.—An application submitted under paragraph (1) shall—

35 (A) demonstrate that the applicant has a partnership with, or is, an intermediary that
36 shall make microloans to covered individuals;

37 (B) demonstrate an ability to provide a full range of entrepreneurial development
38 programming on an ongoing basis;

1 (C) include a plan for reaching covered individuals, including by identifying
2 particular target populations within the community in which a covered individual lives;

3 (D) include a plan to refer covered individuals who have completed participation in
4 the pilot program to existing resource partners and participating lenders;

5 (E) include a comprehensive plan for the use of grant funds, including estimates for
6 administrative expenses and outreach costs; and

7 (F) any other requirements, as determined by the Administrator.

8 (e) Matching Requirement.—

9 (1) IN GENERAL.—As a condition of a grant provided under the pilot program, the
10 Administrator shall require the recipient of the grant to contribute an amount equal to 25
11 percent of the amount of the grant, obtained solely from non-Federal sources.

12 (2) FORM.—In addition to cash or other direct funding, the contribution required under
13 paragraph (1) may include indirect costs or in-kind contributions paid for under non-Federal
14 programs.

15 Subtitle G—Other Matters

16 SEC. 100701. ADMINISTRATIVE EXPENSES.

17 (a) In General.—In addition to amounts otherwise available, there is appropriated to the
18 Administration for fiscal year 2022, out of any money in the Treasury not otherwise
19 appropriated, \$125,000,000, to remain available until September 30, 2030, for administrative
20 expenses related to carrying out this title (or any amendments made by this title), except as
21 otherwise provided in this title.

22 (b) Rulemaking.—Using amounts made available under subsection (a), not later than 30 days
23 after the date of the enactment of this Act, the Administrator may issue rules, including interim
24 final rules, as necessary to carry out this title and the amendments made by this title.

25 SEC. 100702. OFFICE OF INSPECTOR GENERAL OF THE 26 SMALL BUSINESS ADMINISTRATION.

27 In addition to amounts otherwise available, there is appropriated to the Office of Inspector
28 General of the Small Business Administration for fiscal year 2022, out of any money in the
29 Treasury not otherwise appropriated, \$12,500,000, to remain available until September 30, 2030,
30 for audits, investigations, and other oversight of projects and activities carried out with funds
31 made available by this title to the Small Business Administration.

House Office of Legislative Counsel

CompareRite of C:\TEMP\HOLCDOCS\RECON_TI.XML and C:\TEMP\HOLCDOCS\YARMUT_021.XML

- 1 This redlined draft, generated by CompareRite (TM) - The Instant Redliner, shows the
- 2 differences between -
- 3 original document : C:\TEMP\C\TEMP\HOLCDOCS\RECON_TI.RTF
- 4 and revised document: C:\TEMP\C\TEMP\HOLCDOCS\YARMUT_021.RTF
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- 6 CompareRite found 16 change(s) in the text
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- 8 Deletions appear as Overstrike text
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TITLE XI—COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

SEC. 110001. AFFORDABLE HOUSING ACCESS PROGRAM.

(a) In General.—In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$9,750,000,000, to remain available until September 30, 2026, to the Secretary of Housing and Urban Development and the Administrator of the Federal Transit Administration to make competitive grants under sections 5307, 5311, and 5339(c) of title 49, United States Code, to support—

- (1) access to affordable housing;
- (2) enhanced mobility for residents and riders, including those in disadvantaged communities and neighborhoods, persistent poverty communities, or for low-income riders generally; and
- (3) other community benefits for residents of disadvantaged communities or neighborhoods, persistent poverty communities, or for low-income riders generally identified by the Secretary and the Administrator related to enhanced transit service, including—
 - (A) access to job and educational opportunities;
 - (B) better connections to medical care; and
 - (C) enhanced access to grocery stores with fresh foods to help eliminate food deserts.

(b) Administration of Funds.—Funds made available under this section—

- (1) shall not be subject to any prior restriction on the total amount of funds available for implementation or execution of programs authorized under sections 5307, 5311, 5312, 5314, or 5339(c) of title 49, United States Code;
- (2) notwithstanding requirements related to Government share under such sections, shall be available for up to 100 percent of the net cost of a project;
- (3) notwithstanding section 5307(a)(1) of such title, may be used for operating costs of equipment and facilities in an urbanized area with a population equal to or greater than 200,000 individuals; and
- (4) shall be expended in compliance with the ~~requirements of part 26 of title 49, Code of Federal Regulations.~~ **U.S. Department of Transportation’s Disadvantaged Business Enterprise Program.**

(c) Eligible Activities.—Eligible activities for funds made available under subsection (a) shall be—

- (1) construction of a new fixed guideway capital project;

1 (2) construction of a bus rapid transit project or a corridor-based bus rapid transit project
2 that utilizes zero-emission vehicles, or a collection of such projects;

3 (3) the establishment or expansion of high-frequency bus service that utilizes
4 zero-emission buses;

5 (4) the acquisition of zero-emission vehicles or related infrastructure under section
6 5339(c) of title 49, United States Code, to expand service in urban areas and the acquisition
7 of vehicles under section 5311 of such title to expand service in non-urban areas;

8 (5) an expansion of the service area or the frequency of service of recipients or
9 subrecipients under sections 5307 or 5311 of such title, including the provision of fare-free
10 or reduced-fare service;

11 (6) renovation or construction of facilities and incidental expenses related to transit
12 service in disadvantaged communities or neighborhoods or service that benefits low-income
13 riders generally;

14 (7) additional assistance to project sponsors of new fixed guideway capital projects, core
15 capacity improvement projects, or corridor-based bus rapid transit projects not yet open to
16 revenue service, notwithstanding applicable requirements regarding Government share of
17 contributions toward net project cost of the project or the share of contributions provided by
18 the Administrator of the Federal Transit Administration, if—

19 (A) the applicant demonstrates that the availability of funding under this section
20 provides additional support for transit services consistent with the requirements in
21 subsection (a); and

22 (B) assistance under this paragraph does not increase by more than 10 percentage
23 points—

24 (i) the Government share of contributions toward net project cost; or

25 (ii) the Government share of assistance from a program carried out by the
26 Administrator of the Federal Transit Administration;

27 (8) fleet transition, route, or other public transportation planning, including planning
28 related to economic development; and

29 (9) projects to upgrade the accessibility of bus or rail public transportation services for
30 persons with disabilities, including individuals who use wheelchairs.

31 (d) Research, Technical Assistance, and Training.—In addition to amounts otherwise
32 available, there is appropriated for fiscal year 2022, out of any money in the Treasury not
33 otherwise appropriated, \$150,000,000, to remain available until September 30, 2026, for grants
34 under sections 5312 or 5314 of title 49, United States Code, (excluding grants related to any
35 activities or agreements with international entities or foreign nationals) for—

36 (1) activities under section 5312 of such title that support efforts to reduce barriers to the
37 deployment of zero-emission transit vehicles in disadvantaged communities or
38 neighborhoods and rural areas, including barriers related to the cost of such vehicles; and

39 (2) activities under section 5314 of such title for training and development activities to
40 support the provision of service to disadvantaged communities or neighborhoods and rural

1 areas.

2 (e) Administrative Expenses.—In addition to amounts otherwise available, there is
3 appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
4 \$100,000,000, to remain available until September 30, 2026, for administrative expenses and
5 oversight costs of carrying out this section and to make new awards or to increase prior awards
6 to provide technical assistance and capacity building for eligible recipients or subrecipients under
7 this section.

8 (f) Period of Availability.—Any funds provided from the general fund of the Treasury to carry
9 out grants under section 5339(c) of title 49, United States Code, for fiscal years 2025 and 2026
10 shall remain available until September 30, 2028.

11 SEC. 110002. COMMUNITY CLIMATE INCENTIVE 12 GRANT PROGRAM.

13 (a) In General.—Chapter 1 of title 23, United States Code, is amended by adding at the end the
14 following:

15 “177. Community climate incentive grant program

16 “(a) Establishment.—In addition to amounts otherwise available, there is appropriated for
17 fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$50,000,000, to
18 remain available until September 30, 2026, to the Administrator of the Federal Highway
19 Administration—

20 “(1) to establish a greenhouse gas performance measure that requires States to set
21 performance targets to reduce greenhouse gas emissions;

22 “(2) to establish an incentive structure to reward States that demonstrate the most
23 significant progress toward achieving reductions in greenhouse gas emissions;

24 “(3) to establish consequences for States that do not achieve reductions in greenhouse gas
25 emissions;

26 “(4) to issue guidance and regulations and provide technical assistance as necessary to
27 implement this section; and

28 “(5) for operations and administration of the Federal Highway Administration in carrying
29 out this section.

30 “(b) Incentive Grants to States.—In addition to amounts otherwise available, there is
31 appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
32 \$950,000,000, to remain available until September 30, 2026, to the Administrator of the Federal
33 Highway Administration for incentive grants for carbon reduction projects, to be awarded to
34 States that—

35 “(1) qualify for a reward under the incentive structure established by the Administrator of
36 the Federal Highway Administration under subsection (a)(2); or

37 “(2) have incorporated carbon reduction strategies that contribute to achieving net zero
38 greenhouse gas emissions by 2050 into the transportation plans required under section 135.

1 “(c) Community Climate Grants to Other Eligible Entities.—

2 “(1) IN GENERAL.—In addition to amounts otherwise available, there is appropriated for
3 fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
4 \$3,000,000,000, to remain available until September 30, 2026, to the Administrator of the
5 Federal Highway Administration to award grants, on a competitive basis, for carbon
6 reduction projects to eligible entities that are not States.

7 “(2) FEDERAL SHARE.—The Federal share of the cost of a project carried out with a grant
8 under this subsection may be up to 100 percent.

9 “(d) Use of Funds.—

10 “(1) IN GENERAL.—A project carried out under subsection (b) or (c) shall be treated as a
11 project on a Federal-aid highway.

12 “(2) COMPLIANCE WITH EXISTING REQUIREMENTS.—Funds made available for a grant
13 under subsection (b), and funds made available for a grant under subsection (c) that are
14 administered by or through a State department of transportation, shall be expended in
15 compliance with the requirements of part 26 of title 49, Code of Federal Regulations. **U.S.**
16 **Department of Transportation’s Disadvantaged Business Enterprise Program.**

17 “(e) Limitation.—Funds made available under this section shall not—

18 “(1) be subject to any restriction or limitation on the total amount of funds available for
19 implementation or execution of programs authorized for Federal-aid highways; or

20 “(2) be used for projects that result in additional through travel lanes for single occupant
21 passenger vehicles.

22 “(f) Definitions.—In this section:

23 “(1) CARBON REDUCTION PROJECT.—The term ‘carbon reduction project’ means a
24 project—

25 “(A) that is eligible under this title; and

26 “(B) that—

27 “(i) will result in significant reductions in greenhouse gas emissions related to a
28 surface transportation facility or project;

29 “(ii) provides zero-emission transportation options;

30 “(iii) reduces dependence on single-occupant vehicle trips; or

31 “(iv) advances carbon reduction strategies adopted by an eligible entity that
32 contribute to achieving net-zero greenhouse gas emissions by 2050.

33 “(2) ELIGIBLE ENTITY.—The term ‘eligible entity’ means—

34 “(A) a unit of local government;

35 “(B) a political subdivision of a State;

36 “(C) a territory;

37 “(D) a metropolitan planning organization (as defined in section 134(b))(2));

- 1 “(E) a special purpose district or public authority with a transportation function;
2 “(F) an entity described in section 207(m)(1)(E); or
3 “(G) a State.”.

4 (b) Clerical Amendment.—The analysis for chapter 1 of title 23, United States Code, is
5 amended by adding at the end the following:

6 “177. Community climate incentive grant program.”.

7 **SEC. 110003. NEIGHBORHOOD ACCESS AND EQUITY** 8 **GRANT PROGRAM.**

9 (a) In General.—Chapter 1 of title 23, United States Code, is further amended by adding at the
10 end the following:

11 “178. Neighborhood access and equity grant program

12 “(a) In General.—In addition to amounts otherwise available, there is appropriated for fiscal
13 year 2022, out of any money in the Treasury not otherwise appropriated, \$2,370,000,000, to
14 remain available until September 30, 2026, to the Administrator of the Federal Highway
15 Administration for competitive grants to eligible entities described in subsection (b)—

16 “(1) to improve walkability, safety, and affordable transportation access through
17 construction of projects that are context-sensitive—

18 “(A) to remove, remediate, or reuse a facility described in subsection (c)(1);

19 “(B) to replace a facility described in subsection (c)(1) with a facility that is at-grade
20 or lower speed;

21 “(C) to retrofit or cap a facility described in subsection (c)(1);

22 “(D) to build or improve complete streets, multiuse trails, regional greenways, or
23 active transportation networks and spines; or

24 “(E) to provide affordable access to essential destinations, public spaces, or
25 transportation links and hubs;

26 “(2) to mitigate or remediate negative impacts on the human or natural environment
27 resulting from a facility described in subsection (c)(2) in a disadvantaged or underserved
28 community, including construction of—

29 “(A) noise barriers to reduce impacts resulting from a facility described in
30 subsection (c)(2);

31 “(B) technologies, infrastructure, and activities to reduce surface
32 transportation-related air pollution, including greenhouse gas emissions;

33 “(C) infrastructure or protective features to reduce or manage stormwater run-off
34 resulting from a facility described in subsection (c)(2), including through natural
35 infrastructure and pervious, permeable, or porous pavement;

36 “(D) infrastructure and natural features to reduce or mitigate urban heat island hot
37 spots in the transportation right-of-way or on surface transportation facilities; or

- 1 “(E) safety improvements for vulnerable road users; and
- 2 “(3) for planning and capacity building activities in disadvantaged or underserved
- 3 communities to—
- 4 “(A) identify, monitor, or assess local and ambient air quality, emissions of
- 5 transportation greenhouse gases, hot spot areas of extreme heat or elevated air
- 6 pollution, gaps in tree canopy coverage, or flood prone transportation infrastructure;
- 7 “(B) assess transportation equity or pollution impacts and develop local
- 8 anti-displacement policies and community benefit agreements;
- 9 “(C) conduct predevelopment activities for projects eligible under this subsection;
- 10 “(D) expand public participation in transportation planning by individuals and
- 11 organizations in disadvantaged or underserved communities; or
- 12 “(E) administer or obtain technical assistance related to activities described in this
- 13 subsection.

14 “(b) Eligible Entities Described.—An eligible entity referred to in subsection (a) is—

- 15 “(1) a State;
- 16 “(2) a unit of local government;
- 17 “(3) a political subdivision of a State;
- 18 “(4) an entity described in section 207(m)(1)(E);
- 19 “(5) a territory of the United States;
- 20 “(6) a special purpose district or public authority with a transportation function;
- 21 “(7) a metropolitan planning organization (as defined in section 134(b))(2)); or
- 22 “(8) with respect to a grant described in subsection (a)(3), in addition to an eligible entity
- 23 described in paragraphs (1) through (7), a nonprofit organization or institution of higher
- 24 education that has entered into a partnership with an eligible entity described in paragraphs
- 25 (1) through (7).

26 “(c) Facility Described.—A facility referred to in subsection (a) is—

- 27 “(1) a surface transportation facility for which high speeds, grade separation, or other
- 28 design factors create an obstacle to connectivity within a community; or
- 29 “(2) a surface transportation facility which is a source of air pollution, noise, stormwater,
- 30 or other burden to a disadvantaged or underserved community.

31 “(d) Investment in Economically Disadvantaged Communities.—

- 32 “(1) IN GENERAL.—In addition to amounts otherwise available, there is appropriated for
- 33 fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
- 34 \$1,580,000,000, to remain available until September 30, 2026, to the Administrator of the
- 35 Federal Highway Administration to provide grants for projects in communities described in
- 36 paragraph (2) for the same purposes and administered in the same manner as described in
- 37 subsection (a).

1 “(2) COMMUNITIES DESCRIBED.—A community referred to in paragraph (1) is a
2 community that—

3 “(A) is economically disadvantaged, including an underserved community or a
4 community located in an area of persistent poverty;

5 “(B) has entered or will enter into a community benefits agreement with
6 representatives of the community;

7 “(C) has an anti-displacement policy, a community land trust, or a community
8 advisory board in effect; or

9 “(D) has demonstrated a plan for employing local residents in the area impacted by
10 the activity or project proposed under this section.

11 “(e) Administration.—

12 “(1) IN GENERAL.—A project carried out under subsection (a) or (d) shall be treated as a
13 project on a Federal-aid highway.

14 “(2) COMPLIANCE WITH EXISTING REQUIREMENTS.—Funds made available for a grant
15 under this section and administered by or through a State department of transportation shall
16 be expended in compliance with the ~~requirements of part 26 of title 49, Code of Federal~~
17 ~~Regulations.~~ **U.S. Department of Transportation’s Disadvantaged Business Enterprise**
18 **Program.**

19 “(f) Cost Share.—The Federal share of the cost of an activity carried out using a grant
20 awarded under this section shall be not more than 80 percent, except that the Federal share of the
21 cost of a project in a disadvantaged or underserved community may be up to 100 percent.

22 “(g) Technical Assistance.—In addition to amounts otherwise available, there is appropriated
23 for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$50,000,000,
24 to remain available until September 30, 2026, to the Administrator of the Federal Highway
25 Administration for—

26 “(1) guidance, technical assistance, templates, training, or tools to facilitate efficient and
27 effective contracting, design, and project delivery by units of local government;

28 “(2) subgrants to units of local government to build capacity of such units of local
29 government to assume responsibilities to deliver surface transportation projects; and

30 “(3) operations and administration of the Federal Highway Administration.

31 “(h) Limitations.—Amounts made available under this section shall not—

32 “(1) be subject to any restriction or limitation on the total amount of funds available for
33 implementation or execution of programs authorized for Federal-aid highways; and

34 “(2) be used for a project for additional through travel lanes for single-occupant
35 passenger vehicles.”.

36 (b) Clerical Amendment.—The analysis for chapter 1 of title 23, United States Code, is further
37 amended by adding at the end the following:

38 “178. Neighborhood access and equity grant program.”.

1 **SEC. 110004. TERRITORIAL HIGHWAY PROGRAM**
2 **FUNDING.**

3 (a) In General.—In addition to amounts otherwise made available, there is appropriated for
4 fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$320,000,000, to
5 remain available until September 30, 2026, to the Administrator of the Federal Highway
6 Administration for distribution under section 165(c) of title 23, United States Code.

7 (b) Limitation.—Funds made available under this section shall not be subject to any restriction
8 or limitation on the total amount of funds available for implementation or execution of programs
9 authorized for Federal-aid highways.

10 **SEC. 110005. TRAFFIC SAFETY CLEARINGHOUSE.**

11 (a) In General.—In addition to amounts otherwise made available, there is appropriated for
12 fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$47,500,000 to
13 remain available until September 30, 2026, for the Administrator of the National Highway
14 Traffic Safety Administration to make 1 or more grants, cooperative agreements, or contracts
15 with 1 or more qualified institutions to—

16 (1) operate a national clearinghouse for fair and equitable traffic safety enforcement
17 programs;

18 (2) conduct research relating to, and develop, systems for States to collect traffic safety
19 enforcement data, and provide technical assistance to States collecting such data, including
20 the sharing of data to a national database;

21 (3) develop recommendations and best practices to help States collect and use traffic
22 safety enforcement data to promote equity and reduce traffic-related fatalities and injuries;
23 and

24 (4) develop information and educational programs relating to implementing equitable
25 traffic safety enforcement best practices to assist States and local communities.

26 (b) Administration.—In addition to amounts otherwise made available, there is appropriated
27 for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$2,500,000 to
28 remain available until September 30, 2026, for the Administrator of the National Highway
29 Traffic Safety Administration for the salaries, expenses, and costs of administering this section.

30 (c) Definition of State.—In this section the term “State” has the meaning given the term in
31 section 401 of title 23, United States Code.

32 **SEC. 110006. PASSENGER RAIL IMPROVEMENT,**
33 **MODERNIZATION, AND EMISSIONS REDUCTION**
34 **GRANTS.**

35 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
36 Secretary of Transportation for fiscal year 2022, out of any money in the Treasury not otherwise
37 appropriated, \$10,000,000,000, to remain available until September 30, 2026, for financial
38 assistance under chapter 261 of title 49, United States Code, to eligible entities for eligible

1 projects.

2 (b) Definitions.—In this section:

3 (1) CORRIDOR.—The term “corridor” means an existing, modified, or proposed intercity
4 passenger rail service (as defined in section 26106(b)(5) of title 49, United States Code).

5 (2) ELIGIBLE ENTITY.—The term “eligible entity” means—

6 (A) an entity that is eligible to receive financial assistance under section 26101 of
7 title 49, United States Code; and

8 (B) an applicant that is eligible to receive a grant under section 26106 of title 49,
9 United States Code.

10 (3) ELIGIBLE PROJECT.—The term “eligible project” means—

11 (A) a planning project for high-speed rail corridor development that consists of
12 planning activities eligible to receive financial assistance under section 26101(b)(1) of
13 title 49, United States Code; and

14 (B) a capital project for high-speed rail corridor development that—

15 (i) is eligible to receive a grant for a capital project (as defined in section
16 26106(b)(3) of title 49, United States Code); and

17 (ii) directly serves rail stations within urban areas (as published by the Bureau
18 of the Census) that are located in close proximity to a census tract (as published
19 by the Bureau of the Census) within the urban area that has a greater density
20 population than the urban area as a whole.

21 (4) HIGH-SPEED RAIL.—The term “high-speed rail” means non-highway ground
22 transportation that is owned or operated by an eligible entity and reasonably expected to
23 reach speeds of—

24 (A) 160 miles per hour or faster on a shared use right-of-way; or

25 (B) 186 miles per hour or faster on a dedicated right-of-way.

26 (c) Allocation.—Not less than \$1,000,000,000 of the amounts appropriated by subsection (a)
27 shall be used for eligible projects described in subsection (b)(3)(A).

28 (d) Federal Share.—For any financial assistance and grants provided pursuant to this section,
29 the Federal share may not exceed 90 percent of the total cost of the eligible project.

30 (e) Oversight.—Not more than \$100,000,000 of the amounts appropriated by subsection (a)
31 may be used by the Secretary of Transportation for the costs of award and project management
32 of financial assistance provided under this section.

33 SEC. 110007. ALTERNATIVE FUEL AND LOW-EMISSION 34 AVIATION TECHNOLOGY PROGRAM.

35 (a) Appropriation and Establishment.—For purposes of establishing a competitive grant
36 program to provide grants to eligible entities to carry out projects located in the United States
37 that produce, transport, blend, or store sustainable aviation fuel, or develop, demonstrate, or
38 apply low-emission aviation technologies, in addition to amounts otherwise available, there are

1 appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not
2 otherwise appropriated, to remain available until September 30, 2026—

3 (1) \$247,000,000 for projects relating to the production, transportation, blending, or
4 storage of sustainable aviation fuel;

5 (2) \$47,000,000 for projects relating to low-emission aviation technologies; and

6 (3) \$6,000,000 to fund the award of grants under this section, and oversight of the
7 program, by the Secretary.

8 (b) Considerations.—In carrying out subsection (a), the Secretary shall consider, with respect
9 to a proposed project—

10 (1) the capacity for the eligible entity to increase the domestic production and
11 deployment of sustainable aviation fuel or the use of low-emission aviation technologies
12 among the United States commercial aviation and aerospace industry;

13 (2) the projected greenhouse gas emissions from such project, including emissions
14 resulting from the development of the project, and the potential the project has to reduce or
15 displace, on a lifecycle basis, United States greenhouse gas emissions associated with air
16 travel;

17 (3) the capacity to create new jobs and develop supply chain partnerships in the United
18 States;

19 (4) for projects related to the production of sustainable aviation fuel, the projected
20 lifecycle greenhouse gas emissions benefits from the proposed project, which shall include
21 feedstock and fuel production and potential direct and indirect greenhouse gas emissions
22 (including resulting from changes in land use); and

23 (5) the benefits of ensuring a diversity of feedstocks for sustainable aviation fuel,
24 including the use of waste carbon oxides and direct air capture.

25 (c) Cost Share.—The Federal share of the cost of a project carried out using grant funds under
26 subsection (a) shall be a maximum of 90 percent of the proposed total cost of the project, and the
27 Secretary shall consider the extent to which a proposed project meets the considerations
28 described in subsection (b) in determining the Federal share under this subsection.

29 (d) Fuel Emissions Reduction Test.—For purposes of clause (ii) of subsection (e)(7)(E), the
30 Secretary shall, not later than 2 years after the date of enactment of this section, adopt at least 1
31 methodology for testing lifecycle greenhouse gas emissions that meets the requirements of such
32 clause.

33 (e) Definitions.—In this section:

34 (1) ELIGIBLE ENTITY.—The term “eligible entity” means—

35 (A) a State or local government, including the District of Columbia, other than an
36 airport sponsor;

37 (B) an air carrier;

38 (C) an airport sponsor;

39 (D) an accredited institution of higher education;

- 1 (E) a research institution;
- 2 (F) a person or entity engaged in the production, transportation, blending, or storage
- 3 of sustainable aviation fuel in the United States or feedstocks in the United States that
- 4 could be used to produce sustainable aviation fuel;
- 5 (G) a person or entity engaged in the development, demonstration, or application of
- 6 low-emission aviation technologies; or
- 7 (H) nonprofit entities or nonprofit consortia with experience in sustainable aviation
- 8 fuels, low-emission aviation technologies, or other clean transportation research
- 9 programs.

10 (2) FEEDSTOCK.—The term “feedstock” means sources of hydrogen and carbon not
11 originating from unrefined or refined petrochemicals.

12 (3) INDUCED LAND-USE CHANGE VALUES.—The term “induced land-use change values”
13 means the greenhouse gas emissions resulting from the conversion of land to the production
14 of feedstocks and from the conversion of other land due to the displacement of crops or
15 animals for which the original land was previously used.

16 (4) LIFECYCLE GREENHOUSE GAS EMISSIONS.—The term “lifecycle greenhouse gas
17 emissions” means the combined greenhouse gas emissions from feedstock production,
18 collection of feedstock, transportation of feedstock to fuel production facilities, conversion
19 of feedstock to fuel, transportation and distribution of fuel, and fuel combustion in an
20 aircraft engine, as well as from induced land-use change values.

21 (5) LOW-EMISSION AVIATION TECHNOLOGIES.—The term “low-emission aviation
22 technologies” means technologies, produced in the United States, that significantly—

- 23 (A) improve aircraft fuel efficiency;
- 24 (B) increase utilization of sustainable aviation fuel; or
- 25 (C) reduce greenhouse gas emissions produced during operation of civil aircraft.

26 (6) SECRETARY.—The term “Secretary” means the Secretary of Transportation.

27 (7) SUSTAINABLE AVIATION FUEL.—The term “sustainable aviation fuel” means liquid
28 fuel, produced in the United States, that—

- 29 (A) consists of synthesized hydrocarbons;
- 30 (B) meets the requirements of—
 - 31 (i) ASTM International Standard D7566; or
 - 32 (ii) the co-processing provisions of ASTM International Standard D1655,
 - 33 Annex A1 (or such successor standard);
- 34 (C) is derived from biomass (in a similar manner as such term is defined in section
35 45K(c)(3) of the Internal Revenue Code of 1986), waste streams, renewable energy
36 sources, or gaseous carbon oxides;
- 37 (D) is not derived from palm fatty acid distillates; and
- 38 (E) achieves at least a 50 percent lifecycle greenhouse gas emissions reduction in

1 comparison with petroleum-based jet fuel, as determined by a test that shows—

2 (i) the fuel production pathway achieves at least a 50 percent reduction of the
3 aggregate attributional core lifecycle emissions and the induced land use change
4 values under a lifecycle methodology for sustainable aviation fuels similar to that
5 adopted by the International Civil Aviation Organization with the agreement of
6 the United States; or

7 (ii) the fuel production pathway achieves at least a 50 percent reduction of the
8 aggregate attributional core lifecycle greenhouse gas emissions values and the
9 induced land-use change values under another methodology that the Secretary
10 determines is—

11 (I) reflective of the latest scientific understanding of lifecycle greenhouse
12 gas emissions; and

13 (II) as stringent as the requirement under clause (i).

14 SEC. 110008. ASSISTANCE TO UPDATE AND ENFORCE 15 HAZARD RESISTANT CODES AND STANDARDS.

16 (a) In General.—In addition to amounts otherwise available, there is appropriated for fiscal
17 year 2022, out of any money in the Treasury not otherwise appropriated, \$145,500,000, to
18 remain available until expended, to the Administrator of the Federal Emergency Management
19 Agency for the Building Resilient Infrastructure and Communities Program for activities and
20 grants that provide technical assistance and capacity building, for which the Federal cost share
21 shall be 100 percent, to State, local, Indian Tribal, ~~or~~ territorial, **or the District of Columbia**
22 governments for establishing, implementing, and carrying out enforcement activities of the latest
23 published editions of relevant performance-based and consensus-based codes, specifications, and
24 standards, including amendments made by State, local, Indian Tribal, ~~or~~ territorial, **or the**
25 **District of Columbia** governments during the adoption process, that incorporate—

26 (1) the latest hazard-resistant designs; and

27 (2) the latest requirements for the maintenance and inspection of existing buildings to
28 address hazard risk.

29 (b) Administration.—In addition to amounts otherwise available, there is appropriated for
30 fiscal year 2022, out of any money in the Treasury not otherwise available, \$4,500,000 to the
31 Administrator of the Federal Emergency Management Agency, to remain available until
32 expended, for administrative expenses of carrying out this section.

33 SEC. 110009. ECONOMIC DEVELOPMENT 34 ADMINISTRATION.

35 (a) Economic Development Assistance for Regional Economic Growth Clusters.—In addition
36 to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in
37 the Treasury not otherwise appropriated, \$3,360,000,000, to remain available until September
38 30, 2031, to the Secretary of Commerce (referred to in this section as the “Secretary”) for grants
39 under section 209 of the Public Works and Economic Development Act of 1965 (42 U.S.C.
40 3149) to develop regional economic growth clusters, including grants for technical assistance,

1 planning, and predevelopment activities, subject to the condition that sections 204 and 301 of
2 such Act (42 U.S.C. 3144 and 3161) shall not apply to grants made with amounts made available
3 under this subsection.

4 (b) Recompete Grants for Persistently Distressed Communities.—

5 (1) IN GENERAL.—In addition to amounts otherwise available, there is appropriated for
6 fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
7 \$1,200,000,000, to remain available until September 30, 2031, to the Secretary of
8 Commerce for economic adjustment assistance as authorized by section 209 of the Public
9 Works and Economic Development Act of 1965 (42 U.S.C. 3149) to provide grants to
10 eligible recipients (as defined in section 3 of such Act) to alleviate economic distress and
11 support long-term comprehensive economic development and job creation in persistently
12 distressed local labor markets and local communities, except that sections 204 and 301 of
13 such Act (42 U.S.C. 3144 and 3161) shall be inapplicable to such grants.

14 (2) RECOMPETE PLAN.—As a condition of receipt of a grant described under paragraph
15 (1), an eligible recipient shall submit a comprehensive 10-year economic development plan
16 for approval by the Secretary that includes—

17 (A) proposed programs and activities to be carried out with a grant awarded under
18 this subsection to address the economic challenges of the local labor market or local
19 community in a manner that promotes long-term, sustained economic growth, quality
20 job creation, and local prime-age employment growth;

21 (B) projected costs, annual expenditures, and a proposed grant disbursement
22 schedule; and

23 (C) other local economic information and periodic benchmarking criteria as the
24 Secretary determines appropriate.

25 (3) MAXIMUM AWARD AMOUNT.—In determining the maximum amount of a grant that
26 may be awarded under paragraph (1) for the purposes of implementing and carrying out the
27 programs and activities identified in an approved recompete plan described in paragraph
28 (2), the Secretary shall use the product obtained by multiplying—

29 (A) the difference in the prime-age employment rate between the United States and
30 the local labor market or local community;

31 (B) the prime-age population of the local labor market or local community; and

32 (C) either—

33 (i) \$70,585 for local labor markets with a prime-age employment rate not less
34 than 2.5 percent below the United States; or

35 (ii) \$53,600 for local communities with a prime-age employment rate not less
36 than 5 percent below the United States.

37 (4) DEFINITIONS.—In this subsection:

38 (A) LOCAL LABOR MARKET.—The term “local labor market” means any of the
39 following areas that contains 1 or more recipients eligible under paragraph (1):

40 (i) A metropolitan statistical area or micropolitan statistical area, excluding any

1 area described in clause (iii).

2 (ii) A commuting zone, excluding any areas described in clauses (i) and (iii).

3 (iii) Tribal land subject to the jurisdiction of an Indian Tribe.

4 (B) LOCAL COMMUNITY.—The term “local community” means the area served by a
5 unit of general local government that is located within, but does not cover the entire
6 area of, a local labor market that does not meet the criteria described in paragraph
7 (3)(C)(i).

8 (c) Economic Adjustment Assistance for Energy and Industrial Transition Communities.—In
9 addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any
10 money in the Treasury not otherwise appropriated, \$240,000,000, to remain available until
11 September 30, 2027, to the Secretary of Commerce for economic adjustment assistance as
12 authorized by section 209 of the Public Works and Economic Development Act of 1965 (42
13 U.S.C. 3149) to provide assistance, including grants for technical assistance, planning, and
14 predevelopment activities, to energy and industrial transition communities, including oil, gas,
15 coal, nuclear, and biomass transition communities, and manufacturing transition communities.

16 (d) Economic Adjustment Assistance for Technical Assistance, Project Predevelopment, and
17 Capacity Building.—In addition to amounts otherwise available, there is appropriated for fiscal
18 year 2022, out of any money in the Treasury not otherwise appropriated, \$240,000,000, to
19 remain available until September 30, 2027, to the Secretary of Commerce for economic
20 adjustment assistance as authorized by section 209 of the Public Works and Economic
21 Development Act of 1965 (42 U.S.C. 3149) to provide grants for technical assistance, project
22 predevelopment, and capacity building activities, including activities relating to the writing of
23 grant applications (consistent with section 213 of the Public Works and Economic Development
24 Act of 1965 (42 U.S.C. 3153)) and stipends to local community organizations for planning
25 participation, community outreach and engagement activities, subject to the conditions that—

26 (1) sections 204 and 301 of such Act shall not apply to grants made with amounts made
27 available under this subsection; and

28 (2) not less than 50 percent of the amounts made available under this subsection shall be
29 for activities that are carried out in underserved communities.

30 (e) Administration.—In addition to amounts otherwise available, there is appropriated for
31 fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$210,000,000, to
32 remain available until September 30, 2031, for the administrative expenses of carrying out this
33 section.

34 SEC. 110010. ASSISTANCE FOR FEDERAL BUILDINGS.

35 In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of
36 any money in the Treasury not otherwise appropriated, \$500,000,000, to remain available until
37 September 30, 2031, to be deposited in the Federal Buildings Fund established under section 592
38 of title 40, United States Code, for measures necessary to convert facilities of the Administrator
39 of General Services to high-performance green buildings (as defined in section 401 of the Energy
40 Independence and Security Act of 2007 (42 U.S.C. 17061)).

41 SEC. 110011. CLIMATE RESILIENT COAST GUARD

1 **INFRASTRUCTURE.**

2 In addition to amounts otherwise available, there is appropriated to the Coast Guard for fiscal
3 year 2022, out of any money in the Treasury not otherwise appropriated, \$650,000,000, to
4 remain available until September 30, 2031, for the acquisition, design, and construction of new,
5 or replacement of existing, climate resilient facilities, including personnel readiness facilities
6 such as family support services facilities, that are threatened by or have been impacted by
7 climate change, as authorized under sections 504(e) and 1101(b)(1) of title 14, United States
8 Code.

9 **SEC. 110012. GREAT LAKES ICEBREAKER**
10 **ACQUISITION.**

11 (a) In General.—In addition to amounts otherwise available, there is appropriated to the Coast
12 Guard for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
13 \$350,000,000, to remain available until September 30, 2031, for acquisition, design, and
14 construction of a Great Lakes heavy icebreaker, as authorized under section 8107 of the William
15 M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (Public Law
16 116–283).

17 (b) Limitation.—The funds made available under this section are subject to the condition that
18 the Coast Guard shall not—

19 (1) enter into an agreement involving funds made available under subsection (a) if such
20 agreement—

21 (A) is for a term extending beyond September 30, 2031; or

22 (B) involves any payment that could be made or funds disbursed using amounts
23 made available under subsection (a) after September 30, 2031; or

24 (2) use any other funds available to the Coast Guard to satisfy obligations initially made
25 under subsection (a).

26 **SEC. 110013. PORT INFRASTRUCTURE AND SUPPLY**
27 **CHAIN RESILIENCE.**

28 (a) In General.—In addition to amounts otherwise available, there is appropriated for fiscal
29 year 2022, out of any money in the Treasury not otherwise appropriated, \$600,000,000, to
30 remain available until September 30, 2026, to the Maritime Administration for the purposes of
31 making grants for projects to support supply chain resilience, reduction in port congestion, and
32 the development of offshore wind through the program under section 50302(c) of title 46, United
33 States Code.

34 (b) Limitations.—The funds made available under this section are subject to the condition that
35 the Secretary of Transportation shall not—

36 (1) enter into an agreement involving funds made available under subsection (a) if such
37 agreement—

38 (A) is for a term extending beyond September 30, 2031; or

1 (B) involves any payment that could be made or funds disbursed using amounts
2 made available under subsection (a) after September 30, 2031; or

3 (2) use any other funds available to the Secretary to satisfy obligations initially made
4 under subsection (a).

5 SEC. 110014. ALTERNATIVE WATER SOURCE PROJECT 6 GRANTS.

7 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
8 Environmental Protection Agency for fiscal year 2022, out of any money in the Treasury not
9 otherwise appropriated, \$125,000,000, to remain available until expended, for carrying out
10 section 220 of the Federal Water Pollution Control Act (33 U.S.C. 1300), in accordance with
11 subsection (b), which funds may be used to make grants under such section on the condition
12 that—

13 (1) a project carried out using such funds shall, to the maximum extent practicable,
14 maximize the avoidance, minimization, or mitigation of climate change impacts on, and of,
15 any constructed part of the project (including through the implementation of technologies to
16 recover and reuse energy produced in the treatment of wastewater); and

17 (2) all of the iron and steel used in the project are produced in the United States in
18 accordance with section 608 of such Act (33 U.S.C. 1388).

19 (b) Limitations.—For purposes of subsection (a)—

20 (1) the limitation in section 220(d)(1) of the Federal Water Pollution Control Act (as in
21 effect on September 1, 2021), as it applies to the receipt of planning or design funds, shall
22 not apply with respect to eligibility for a grant under this section; and

23 (2) the requirements of sections 220(d)(2) and (e) of such Act (as in effect on September
24 1, 2021) shall not apply to the making of a grant under this section.

25 (c) Administrative Costs.—Of the amounts made available under subsection (a), the
26 Administrator of the Environmental Protection Agency shall reserve 4 percent for the
27 administrative costs of carrying out this section.

28 SEC. 110015. SEWER OVERFLOW AND STORMWATER 29 REUSE MUNICIPAL GRANTS.

30 (a) General Assistance.—In addition to amounts otherwise available, there is appropriated to
31 the Environmental Protection Agency for fiscal year 2022, out of any money in the Treasury not
32 otherwise appropriated, \$500,000,000, to remain available until expended, for carrying out
33 section 221 of the Federal Water Pollution Control Act (33 U.S.C. 1301), which funds may be
34 used to make grants under such section on the condition that any activity carried out using such
35 funds shall, to the maximum extent practicable, maximize the avoidance, minimization, or
36 mitigation of climate change impacts on, and of, any constructed part of the activity (including
37 through the implementation of technologies to recover and reuse energy produced in the
38 treatment of wastewater).

39 (b) Financially Distressed Communities.—

1 (1) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to
2 the Environmental Protection Agency for fiscal year 2022, out of any money in the
3 Treasury not otherwise appropriated, \$1,350,000,000, to remain available until expended,
4 for carrying out section 221 of the Federal Water Pollution Control Act (33 U.S.C. 1301),
5 which funds may be used to make grants under such section to a financially distressed
6 community (as defined in such section), or an Indian tribe or other entity described in
7 section 518(c)(3) of such Act, on the condition that any activity carried out using such funds
8 shall, to the maximum extent practicable, maximize the avoidance, minimization, or
9 mitigation of climate change impacts on, and of, any constructed part of the activity
10 (including through the implementation of technologies to recover and reuse energy
11 produced in the treatment of wastewater).

12 (2) LIMITATION.—In carrying out paragraph (1), the Administrator of the Environmental
13 Protection Agency may not require a financially distressed community, Indian tribe, or
14 entity receiving a grant pursuant to this subsection to provide, as a condition of eligibility to
15 receive such grant, a share of the cost of the activity for which the grant was made.

16 (c) Administrative Costs.—Of the amounts made available under each of subsections (a) and
17 (b), the Administrator of the Environmental Protection Agency shall reserve 4 percent for the
18 administrative costs of carrying out this section.

19 SEC. 110016. INDIVIDUAL HOUSEHOLD 20 DECENTRALIZED WASTEWATER TREATMENT SYSTEM 21 GRANTS.

22 (a) Appropriation.—In addition to amounts otherwise available, there is appropriated to the
23 Environmental Protection Agency for fiscal year 2022, out of any money in the Treasury not
24 otherwise appropriated, to remain available until expended—

25 (1) \$75,000,000 to make grants to States, municipalities, and nonprofit entities under the
26 Federal Water Pollution Control Act for the construction, repair, or replacement of
27 individual household decentralized wastewater treatment systems of eligible individuals (as
28 such term is defined in section 603(j) of the Federal Water Pollution Control Act (33 U.S.C.
29 1383(j))); and

30 (2) \$75,000,000 to make grants to States, municipalities, and nonprofit entities under
31 such Act for the construction, repair, or replacement of individual household decentralized
32 wastewater treatment systems of eligible individuals (as so defined) residing in households
33 that are not connected to a system or technology designed to treat domestic sewage,
34 including eligible individuals using household cesspools.

35 (b) Administrative Costs.—Of the amounts made available under subsection (a), the
36 Administrator of the Environmental Protection Agency shall reserve 7 percent for the
37 administrative costs of carrying out this section.

38 SEC. 110017. DISASTER RELIEF.

39 The Administrator of the Federal Emergency Management Agency may provide financial
40 assistance through September 30, 2026, pursuant to section 203(h), 404(a), and 406(b) of the
41 Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5133(h); 42 U.S.C.

1 5170c(a); 42 U.S.C. 5172(b)) for—

2 (1) costs associated with low-carbon materials; and

3 (2) incentives that encourage low-carbon and net-zero energy projects, which may
4 include an increase in the Federal cost share.

5 SEC. 110018. ENVIRONMENTAL REVIEW 6 IMPLEMENTATION FUNDS.

7 (a) In General.—Chapter 1 of title 23, United States Code, is further amended by adding at the
8 end the following:

9 “179. Environmental review implementation funds

10 “(a) Establishment.—In addition to amounts otherwise available, for fiscal year 2022, there is
11 appropriated to the Administrator, out of any money in the Treasury not otherwise appropriated,
12 \$50,000,000, to remain available until September 30, 2026, for the purpose of facilitating the
13 development and review of documents for the environmental review process for proposed
14 projects, including through—

15 “(1) the provision of guidance, technical assistance, templates, training, or tools to
16 facilitate an efficient and effective environmental review process for surface transportation
17 projects, including any administrative expenses of the Federal Highway Administration to
18 conduct such activities; and

19 “(2) providing funds made available under this subsection to eligible entities—

20 “(A) to build capacity of such eligible entities and facilitate the environmental
21 review process for proposed projects, including—

22 “(i) defining the scope or study areas;

23 “(ii) identifying impacts, mitigation measures, and reasonable alternatives;

24 “(iii) preparing planning and environmental studies and other documents prior
25 to and during the environmental review process, for potential use in the
26 environmental review process in accordance with applicable statutes and
27 regulations;

28 “(iv) conducting public engagement activities; and

29 “(v) carrying out other activities, including permitting activities, as the
30 Administrator determines to be appropriate, to support the timely completion of
31 an environmental review process required for a proposed project; and

32 “(B) for administrative expenses of the eligible entity to conduct any of the activities
33 described in subparagraph (A).

34 “(b) Cost Share.—

35 “(1) IN GENERAL.—The Federal share of the cost of an activity carried out under this
36 section by an eligible entity shall be not more than 80 percent.

37 “(2) SOURCE OF FUNDS.—The non-Federal share of the cost of an activity carried out

1 under this section by an eligible entity may be satisfied using funds made available to the
2 eligible entity under any other Federal, State, or local grant program, including funds made
3 available to the eligible entity under this ~~section or title 49.~~ **title or administered by the**
4 **U.S. Department of Transportation.**

5 “(c) Definitions.—In this section:

6 “(1) ADMINISTRATOR.—The term ‘Administrator’ means the Administrator of the Federal
7 Highway Administration.

8 “(2) ELIGIBLE ENTITY.—The term ‘eligible entity’ means—

9 “(A) a State;

10 “(B) a unit of local government;

11 “(C) a political subdivision of a State;

12 “(D) a territory of the United States;

13 “(E) an entity described in section 207(m)(1)(E);

14 “(F) a recipient of funds under section 203; or

15 “(G) a metropolitan planning organization (as defined in section 134(b)(2)).

16 “(3) ENVIRONMENTAL REVIEW PROCESS.—The term ‘environmental review process’ has
17 the meaning given the term in section 139(a)(3).

18 “(4) PROPOSED PROJECT.—The term ‘proposed project’ means a surface transportation
19 project for which an environmental review process is required.”.

20 (b) Clerical Amendment.—The analysis for chapter 1 of title 23, United States Code, is further
21 amended by adding at the end the following:

22 “179. Environmental review implementation funds.”.

23 SEC. 110019. LOW-CARBON TRANSPORTATION 24 MATERIALS GRANTS.

25 (a) In General.—Chapter 1 of title 23, United States Code, is further amended by adding at the
26 end the following:

27 “180. Low-carbon transportation materials grants

28 “(a) Federal Highway Administration Appropriation.—In addition to amounts otherwise
29 available, there is appropriated for fiscal year 2022, out of any money in the Treasury not
30 otherwise appropriated, \$900,000,000, to remain available until September 30, 2026, to the
31 Administrator to reimburse eligible recipients for the incremental costs of using low-embodied
32 carbon construction materials and products in projects and for the administrative costs of
33 carrying out this section.

34 “(b) Reimbursement of Incremental Costs; Incentives.—

35 “(1) REIMBURSEMENT OF INCREMENTAL COSTS.—

36 “(A) IN GENERAL.—The Administrator shall, subject to the availability of funds,

1 reimburse eligible recipients that use low-embodied carbon construction materials and
2 products on a project funded under this title.

3 “(B) AMOUNT.—The amount of reimbursement under subparagraph (A) shall be the
4 incrementally higher cost of using such materials relative to the cost of using
5 traditional materials, as determined by the eligible recipient and verified by the
6 Administrator.

7 “(2) INCENTIVE.—If a reimbursement is provided under paragraph (1), the total Federal
8 share payable for the project for which the reimbursement is provided shall be up to 100
9 percent.

10 “(3) LIMITATIONS.—

11 “(A) IN GENERAL.—The Administrator shall only provide a reimbursement under
12 paragraph (1) for a project on a—

13 “(i) Federal-aid highway;

14 “(ii) tribal transportation facility;

15 “(iii) Federal lands transportation facility; or

16 “(iv) Federal lands access transportation facility.

17 “(B) OTHER RESTRICTIONS.—Amounts made available under this section shall not be
18 subject to any restriction or limitation on the total amount of funds available for
19 implementation or execution of programs authorized for Federal-aid highways.

20 “(C) SINGLE OCCUPANT PASSENGER VEHICLES.—Funds made available under this
21 section shall not be used for projects that result in additional through travel lanes for
22 single occupant passenger vehicles.

23 “(4) MATERIALS IDENTIFICATION.—The Administrator shall review the low-embodied
24 carbon construction materials and products identified by the Administrator of the
25 Environmental Protection Agency and shall identify low-embodied carbon construction
26 materials and products—

27 “(A) appropriate for use in projects eligible under this title; and

28 “(B) eligible for reimbursement under this section.

29 “(c) Definitions.—In this section:

30 “(1) ADMINISTRATOR.—The term ‘Administrator’ means the Administrator of the Federal
31 Highway Administration.

32 “(2) ELIGIBLE RECIPIENT.—The term ‘eligible recipient’ means—

33 “(A) a State;

34 “(B) a unit of local government;

35 “(C) a political subdivision of a State;

36 “(D) a territory of the United States;

37 “(E) an entity described in section 207(m)(1)~~)(E)~~);

1 “(F) a recipient of funds under section 203;
2 ~~or~~“(G) a metropolitan planning organization (as defined in section 134(b)(2));
3 or
4 ~~“(G)”~~“(H) a special purpose district or public authority with a transportation function.

5 “(3) EMBODIED CARBON.—The term ‘embodied carbon’ means the quantity of
6 greenhouse gas emissions associated with all relevant stages of production of a material or
7 product, measured in kilograms of carbon dioxide-equivalent per unit of such material or
8 product.

9 “(4) LOW-EMBODIED CARBON CONSTRUCTION MATERIALS AND PRODUCTS.—The term
10 ‘low-embodied carbon construction materials and products’ means materials and products
11 identified by the Administrator of the Environmental Protection Agency as having
12 substantially lower levels of embodied carbon compared to estimated industry averages of
13 similar products or materials.”.

14 (b) Clerical Amendment.—The analysis for chapter 1 of title 23, United States Code, is further
15 amended by adding at the end the following:

16 “180. Low-carbon transportation materials grants.”.

17 **SEC. 110020. SOUTHWEST BORDER REGIONAL**
18 **COMMISSION.**

19 **In addition to amounts otherwise available, there is appropriated to the Southwest**
20 **Border Regional Commission for fiscal year 2022, out of any money in the Treasury not**
21 **otherwise appropriated, \$33,000,000, to remain available until September 30, 2031, to**
22 **carry out activities authorized by subtitle V of title 40, United States Code.**

House Office of Legislative Counsel

CompareRite of C:\TEMP\HOLCDOCS\RECON_VA.XML and C:\TEMP\HOLCDOCS\YARMUT_021.XML

- 1 This redlined draft, generated by CompareRite (TM) - The Instant Redliner, shows the
- 2 differences between -
- 3 original document : C:\TEMP\C\TEMP\HOLCDOCS\RECON_VA.RTF
- 4 and revised document: C:\TEMP\C\TEMP\HOLCDOCS\YARMUT_021.RTF
- 5
- 6 CompareRite found 2 change(s) in the text
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- 8 Deletions appear as Overstrike text
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TITLE XII—COMMITTEE ON VETERANS AFFAIRS
SEC. 120001. DEPARTMENT OF VETERANS AFFAIRS
INFRASTRUCTURE IMPROVEMENTS.

In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, ~~\$2,417,000,000~~ **\$2,317,000,000**, to remain available until September 30, 2031, for facilities under the jurisdiction of, or for the use of, the Department of Veterans Affairs to carry out sections 2400, 2403, 2404, 2406, 2407, 2412, 8101, 8102 (except for section 8102(d)), 8103 (except for super construction projects as defined in section 8103(e)(3)), 8104 through 8110, 8122, and 8161 through 8169 of title 38, United States Code, taking into consideration the integration of climate resiliency into infrastructure as well as the needs of underserved areas and underserved veteran populations.

SEC. 120002. MODIFICATIONS TO ENHANCED-USE
LEASE AUTHORITY OF DEPARTMENT OF VETERANS
AFFAIRS.

(a) Modifications to Authority.—Paragraph (2) of section 8162(a) of title 38, United States Code, is amended to read as follows:

“(2)(A) The Secretary may enter into an enhanced-use lease on or after the date of the enactment of this paragraph only if the Secretary determines—

“(i) that the lease will not be inconsistent with, and will not adversely affect—

“(I) the mission of the Department; or

“(II) the operation of facilities, programs, and services of the Department in the local area; and

“(ii) that—

“(I) the lease will enhance the use of the leased property by directly or indirectly benefitting veterans; or

“(II) the leased property will provide supportive housing.

“(B) The Secretary shall give priority to enhanced-use leases that, on the leased property—

“(i) provide supportive housing for veterans;

“(ii) provide direct services or benefits targeted to veterans; or

“(iii) provide services or benefits that indirectly support veterans.”.

(b) Appropriation.—In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, \$455,000,000 for the Department of Veterans Affairs, to remain available until expended, to enter into enhanced-use leases pursuant to section 8162 of title 38, United States Code, as amended by this section.

(c) Modification of Sunset.—Section 8169 of such title is amended by striking “December 31,

1 2023” and inserting “September 30, 2026”.

2 SEC. 120003. MAJOR MEDICAL FACILITY LEASES OF 3 THE DEPARTMENT OF VETERANS AFFAIRS.

4 (a) Authority to Enter Into Major Medical Facility Leases.—Paragraph (2) of subsection (a) of
5 section 8104 of title 38, United States Code, is amended—

6 (1) by striking “No funds” and inserting “(A) No funds”;

7 (2) by striking “or any major medical facility lease”;

8 (3) by striking “or lease”; and

9 (4) by adding at the end the following new subparagraph:

10 “(B) Funds may be appropriated for a fiscal year, and the Secretary may obligate and expend
11 funds, including for advance planning and design, for any major medical facility lease.”.

12 (b) Modification of Definition of Major Medical Facility Lease.—Subparagraph (B) of
13 paragraph (3) of such subsection is amended to read as follows:

14 “(B) The term ‘major medical facility lease’—

15 “(i) means a lease for space for use as a new medical facility approved through the
16 General Services Administration under section 3307(a)(2) of title 40 at an average
17 annual rent equal to or greater than the dollar threshold described in such section,
18 which shall be subject to annual adjustment in accordance with section 3307(h) of such
19 title; and

20 “(ii) does not include a lease for space for use as a shared Federal medical facility
21 for which the Department’s estimated share of the lease costs does not exceed such
22 dollar threshold.”.

23 (c) Interim Leasing Actions.—Such section is further amended by adding at the end the
24 following new subsection:

25 “(i)(1) The Secretary may carry out interim leasing actions for major medical facility leases
26 (as defined in subsection (a)(3)(B)).

27 “(2) In this subsection, the term ‘interim leasing actions’ has the meaning given that term by
28 the Administrator of the General Services Administration.”.

29 (d) Applicability.—The amendments made by this section shall apply with respect to a major
30 medical facility lease of the Department of Veterans Affairs that has not been specifically
31 authorized by law on or before the date of the enactment of this Act and is included as part of the
32 annual budget submission of the Department of Veterans Affairs for fiscal year 2022, 2023, or
33 2024.

34 (e) Purchase Options.—The Secretary of Veterans Affairs may obligate and expend funds to
35 exercise a purchase option included in any major medical facility lease described in subsection
36 (d).

37 (f) Appropriation.—In addition to amounts otherwise available, there is appropriated for fiscal
38 year 2022, out of any money in the Treasury not otherwise appropriated, \$1,805,000,000, to

1 remain available until expended, for major medical facility leases pursuant to subchapter I of
2 chapter 81 of title 38, United States Code, as amended by this section, as requested in the annual
3 budget submission of the Department of Veterans Affairs for fiscal year 2022, 2023, or 2024.

4 (g) Termination and Restoration.—

5 (1) IN GENERAL.—Effective upon the date of execution of the final lease award for leases
6 described in subsection (d), subsections (a) through (e) of this section and the amendments
7 made by those subsections are repealed and any provision of law amended by those
8 subsections is restored as if those subsections had not been enacted into law.

9 (2) NOTIFICATION.—The Secretary of Veterans Affairs shall submit to Congress and the
10 Law Revision Counsel of the House of Representatives written notification of the date
11 specified in paragraph (1) not later than 30 days before such date.

12 SEC. 120004. INCREASE IN NUMBER OF HEALTH 13 PROFESSIONS RESIDENCY POSITIONS AT 14 DEPARTMENT OF VETERANS AFFAIRS MEDICAL 15 FACILITIES.

16 (a) Increase.—In carrying out section 7302(a)(1) of title 38, United States Code, during the
17 seven-year period beginning on the day that is one year after the date of the enactment of this
18 Act, the Secretary of Veterans Affairs shall increase the number of health professions residency
19 positions at medical facilities of the Department of Veterans Affairs by not more than 500
20 positions (which shall be allocated among occupations included in the most current
21 determination published in the Federal Register pursuant to section 7412(a) of such title, or
22 allocated pursuant to a prioritization by the Secretary of occupations in primary care, mental
23 health care, and any other health professions occupation the Secretary determines appropriate)
24 through the establishment of such new positions at—

25 (1) medical facilities where the Secretary established such positions pursuant to section
26 301(b)(2) of the Veterans Access, Choice, and Accountability Act of 2014 (Public Law
27 113–146; 38 U.S.C. 7302 note); or

28 (2) any medical facility—

29 (A) the director of which expresses an interest in establishing or expanding a health
30 professions residency program at the medical facility; or

31 (B) that is located in a community that has a high concentration of veterans or is
32 experiencing a shortage of health care professionals.

33 (b) Appropriations.—In addition to amounts otherwise available, there is appropriated to the
34 Department of Veterans Affairs for fiscal year 2022, out of any money in the Treasury not
35 otherwise appropriated, \$268,000,000, to remain available until September 30, 2029, for the
36 purpose of carrying out this section.

37 SEC. 120005. VETERAN RECORDS SCANNING.

38 In addition to amounts otherwise available, there is appropriated to the Veterans Benefits
39 Administration for fiscal year 2022, out of any money in the Treasury not otherwise

1 appropriated, ~~\$50,000,000~~ **\$150,000,000**, to remain available until September 30, 2023, for costs
2 of record scanning and claims processing, to carry out sections 7701 and 7703 of title 38, United
3 States Code.

4 **SEC. 120006. FUNDING FOR DEPARTMENT OF**
5 **VETERANS AFFAIRS OFFICE OF INSPECTOR GENERAL.**

6 In addition to amounts otherwise available, there is appropriated to the Office of Inspector
7 General of the Department of Veterans Affairs for fiscal year 2022, out of any money in the
8 Treasury not otherwise appropriated, \$5,000,000, to remain available until September 30, 2031,
9 for audits, investigations, and other oversight of projects and activities carried out with funds
10 made available to the Department of Veterans Affairs.

House Office of Legislative Counsel

CompareRite of C:\TEMP\HOLCDOCS\RECON_WM.XML and C:\TEMP\HOLCDOCS\YARMUT_021.XML

- 1 This redlined draft, generated by CompareRite (TM) - The Instant Redliner, shows the
- 2 differences between -
- 3 original document : C:\TEMP\C\TEMP\HOLCDOCS\RECON_WM.RTF
- 4 and revised document: C:\TEMP\C\TEMP\HOLCDOCS\YARMUT_021.RTF
- 5
- 6 CompareRite found 724 change(s) and 6 move(s) in the text
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- 8 Deletions appear as Overstrike text
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TITLE XIII—COMMITTEE ON WAYS AND MEANS

Subtitle A—Universal Comprehensive Paid Leave

SEC. 130001. COMPREHENSIVE PAID LEAVE.

The Social Security Act is amended by adding at the end the following:

**“TITLE XXII—COMPREHENSIVE PAID LEAVE
BENEFITS**

“SEC. 2201. TABLE OF CONTENTS.

“The table of contents for this title is as follows:

“Sec.2201.Table of contents.

“Sec.2202.Entitlement to comprehensive paid leave benefits.

“Sec.2203.Benefit amount.

“Sec.2204.Benefit determination and payment.

“Sec.2205.Appeals.

“Sec.2206.Accurate payment.

“Sec.2207.Funding for benefit payments, grants, and program administration.

“Sec.2208.Funding for State administration option for legacy States.

“Sec.2209.Reimbursement option for employer-sponsored comprehensive paid leave benefits.

“Sec.2210.Definitions.

**“SEC. 2202. ENTITLEMENT TO COMPREHENSIVE
PAID LEAVE BENEFITS.**

“(a) In General.—Every individual who—

“(1) has filed an application for a comprehensive paid leave benefit in accordance with section 2204(a);

“(2) has, or anticipates having, at least 4 caregiving hours in a week ending at any time during the period that begins 90 days before the date on which such application is filed or not later than 90 days after such date;

“(3) has wages or self-employment income at any time during the period—

“(A) beginning with the most recent calendar quarter that ends at least 4 months prior to the beginning of the individual’s benefit period specified in subsection (b); and

1 **“(B) ending with the month before the month in which such benefit period**
2 **begins; and**

3 **“(4) has at least the specified amount of wages and self-employment income during**
4 **the most recent 8-calendar quarter period that ends at least 4 months prior to the**
5 **beginning of the individual’s benefit period specified in subsection (b),**

6 **shall be entitled to such a benefit for each month during such benefit period, except as**
7 **otherwise provided in this section. For purposes of paragraph (4), the specified amount for**
8 **individuals whose benefit period begins in calendar year 2024 shall be \$2,000, and the**
9 **specified amount for individuals whose benefit period begins in any calendar year after**
10 **2024 shall equal the specified amount applicable for the calendar year preceding such**
11 **calendar year, or, if larger, the product of \$2,000 and the quotient obtained by dividing the**
12 **national average wage index (as defined in section 2210) for the second calendar year**
13 **preceding such calendar year by the national average wage index (as so defined) for 2022.**

14 **“(b) Benefit Period.—**

15 **“(1) IN GENERAL.—Except as provided in paragraph (2), the benefit period specified**
16 **in this subsection is the period beginning with the month in which ends the 1st week in**
17 **which the individual has at least 4 caregiving hours and otherwise would meet the**
18 **criteria specified in paragraphs (1), (2), (3), and (4) of subsection (a) and ending at the**
19 **end of the month in which ends the 52nd week ending during such period.**

20 **“(2) RETROACTIVE BENEFITS.—In the case of an application for benefits under this**
21 **section with respect to an individual who has at least 4 caregiving hours in a week at**
22 **any time during the period that begins 90 days before the date on which such**
23 **application is filed, the benefit period specified in this subsection is the period**
24 **beginning with the later of—**

25 **“(A) the month in which ends the 1st week in which the individual has at least 4**
26 **caregiving hours; or**

27 **“(B) the 1st month that begins during such 90-day period,**
28 **and ending at the end of the month in which ends the 52nd week ending during such**
29 **period.**

30 **“(3) LIMITATION.—Notwithstanding paragraphs (1) and (2), no benefit period under**
31 **this title may begin with any month beginning before January 2024.**

32 **“(c) Caregiving Hours.—**

33 **“(1) CAREGIVING HOUR DEFINED.—For purposes of this title, the term ‘caregiving**
34 **hour’ means a 1-hour period during which the individual engaged in qualified**
35 **caregiving (determined on the basis of information filed with the Commissioner**
36 **pursuant to subsection (c) of section 2204).**

37 **“(2) QUALIFIED CAREGIVING.—**

38 **“(A) IN GENERAL.—For purposes of this subsection, the term ‘qualified**
39 **caregiving’ means any activity engaged in by an individual in lieu of work (during**
40 **the hours that constitute the individual’s regular workweek (within the meaning**
41 **of section 2203(d))), other than for monetary compensation, for a qualifying**

1 reason (as defined in section 2210).

2 “(B) NO MONETARY COMPENSATION PERMITTED.—For purposes of
3 subparagraph (A), an activity shall be considered to be engaged in by an
4 individual for monetary compensation if, for the time during which the individual
5 was so engaged, the individual received—

6 “(i) wages from an employer;

7 “(ii) self-employment income; or

8 “(iii) any form of cash payment made by an employer for purposes of
9 providing the individual with paid vacation, paid sick leave, or any other
10 form of paid time off (but not including any such form of cash payment to
11 the extent that the sum of such cash payment and any comprehensive paid
12 leave benefits under section 2202 does not exceed 100 percent of the
13 individual’s regular rate of pay (as determined under section 7(e) of the Fair
14 Labor Standards Act of 1938)).

15 “(C) TREATMENT OF INDIVIDUALS COVERED BY EMPLOYER-SPONSORED
16 COMPREHENSIVE PAID LEAVE PROGRAM.—For purposes of subparagraph (A), an
17 activity engaged in by an individual shall not be considered to be engaged in in
18 lieu of work if, for the time during which the individual was so engaged, the
19 individual is taking leave from covered employment under an
20 employer-sponsored program (as defined in section 2209(g)).

21 “(D) TREATMENT OF INDIVIDUALS COVERED BY LEGACY STATE COMPREHENSIVE
22 PAID LEAVE PROGRAM.—For purposes of subparagraph (A), an activity engaged in
23 by an individual shall not be considered to be engaged in in lieu of work if, for the
24 time during which the individual was so engaged, the individual is taking leave
25 from covered employment under the law of a legacy State (as defined in section
26 2208(c)). In the case of an individual who is no longer employed, such individual
27 shall be treated, for purposes of the preceding sentence, as taking leave from
28 covered employment under the law of a legacy State (as so defined) with respect
29 to the portion of the time during which the individual was so engaged
30 corresponding to the share of the individual’s regular workweek (within the
31 meaning of 2203(d)) that was in covered employment under the law of a legacy
32 State (as so defined).

33 “(d) No Caregiving Hours in Individual’s Week of Death.—No caregiving hours of an
34 individual may be credited under section 2203(c) to the week during which the individual
35 dies.

36 “(e) Disqualification.—An individual who has been found to have used false statements
37 or representation to secure benefits under this section shall be ineligible for benefits under
38 this section for a 5-year period following the date of such finding.

39 “SEC. 2203. BENEFIT AMOUNT.

40 “(a) In General.—The amount of the benefit to which an individual is entitled under
41 section 2202 for a month shall be an amount equal to the sum of the weekly benefit
42 amounts for each week ending during such month. The weekly benefit amount of an

1 individual for a week shall be equal to the product of the individual's weekly benefit rate
2 (as determined under subsection (b)) multiplied by a fraction—

3 “(1) the numerator of which is the number of caregiving hours of the individual
4 credited to such week (as determined in subsection (c)); and

5 “(2) the denominator of which is the number of hours in a regular workweek of the
6 individual (as determined in subsection (d)).

7 “(b) Weekly Benefit Rate.—

8 “(1) IN GENERAL.—For purposes of this section, an individual's weekly benefit rate
9 shall be an amount equal to the sum of—

10 “(A) 90.138 percent of the individual's average weekly earnings to the extent
11 that such earnings do not exceed the amount established for purposes of this
12 subparagraph by paragraph (2);

13 “(B) 73.171 percent of the individual's average weekly earnings to the extent
14 that such earnings exceed the amount established for purposes of subparagraph
15 (A) but do not exceed the amount established for purposes of this subparagraph
16 by paragraph (2); and

17 “(C) 53.023 percent of the individual's average weekly earnings to the extent
18 that such earnings exceed the amount established for purposes of subparagraph
19 (B) but do not exceed the amount established for purposes of this subparagraph
20 by paragraph (2).

21 “(2) AMOUNTS ESTABLISHED.—

22 “(A) INITIAL AMOUNTS.—For individuals whose benefit period under this title
23 begins in calendar year 2024, the amount established for purposes of
24 subparagraphs (A), (B), and (C) of paragraph (1) shall be $\frac{1}{52}$ of \$15,080,
25 \$34,248, and \$62,000, respectively.

26 “(B) WAGE INDEXING.—For individuals whose benefit period under this title
27 begins in any calendar year after 2024, each of the amounts so established shall
28 equal the corresponding amount established for the calendar year preceding such
29 calendar year, or, if larger, the product of the corresponding amount established
30 with respect to the calendar year 2024 and the quotient obtained by dividing—

31 “(i) the national average wage index (as defined in section 2210) for the
32 second calendar year preceding such calendar year, by

33 “(ii) the national average wage index (as so defined) for calendar year
34 2022.

35 “(C) ROUNDING.—Each amount established under subparagraph (B) for any
36 calendar year shall be rounded to the nearest \$1, except that any amount so
37 established which is a multiple of \$0.50 but not of \$1 shall be rounded to the next
38 higher \$1.

39 “(3) AVERAGE WEEKLY EARNINGS.—For purposes of this subsection, an individual's
40 average weekly earnings, as calculated by the Commissioner, shall be equal to the

1 quotient obtained by dividing—

2 “(A) the total of the wages and self-employment income received by the
3 individual during the 8-calendar quarter period described in section 2202(a)(4);
4 by

5 “(B) 104.

6 “(4) EVIDENCE OF EARNINGS.—For purposes of determining the wages and
7 self-employment income of an individual with respect to an application for benefits
8 under section 2202, the Commissioner shall make such determination on the basis of
9 data provided to the Commissioner from the National Directory of New Hires
10 pursuant to section 453(j)(12) and self-employment income information provided to
11 the Commissioner pursuant to section 6103(l)(23) of the Internal Revenue Code of
12 1986, except that the Commissioner shall also consider any more recent or additional
13 evidence of wages or self-employment income the individual chooses to additionally
14 submit.

15 “(c) Crediting of Caregiving Hours to a Week.—The number of caregiving hours of an
16 individual credited to a week as determined under this subsection shall equal the number
17 of caregiving hours of the individual occurring during such week, except that—

18 “(1) such number may not exceed the number of hours in a regular workweek of the
19 individual (as determined in subsection (d));

20 “(2) no caregiving hours may be credited to a week in which fewer than 4 caregiving
21 hours of the individual occur;

22 “(3) no caregiving hours of the individual may be credited to the individual’s
23 waiting period, consisting of the first week during an individual’s benefit period in
24 which at least 4 caregiving hours occur (regardless of whether the individual received
25 any form of cash payment for the purpose of providing the individual with paid
26 vacation, paid sick leave, or any other form of paid time off from the individual’s
27 employer during such week in accordance with section 2202(c)(2)(B)(iii)); and

28 “(4) the total number of caregiving hours credited to weeks during the individual’s
29 benefit period may not exceed the product of 4 multiplied by the number of hours in a
30 regular workweek of the individual (as so determined).

31 “(d) Number of Hours in a Regular Workweek.—For purposes of this section, the
32 number of hours in a regular workweek of an individual shall be the number of hours that
33 the individual regularly works in a week for all employers or as a self-employed individual
34 (or regularly worked in the case of an individual who is no longer working or whose total
35 weekly hours of work have been reduced) during the month before the individual’s benefit
36 period begins (or prior to such month, if applicable in the case of an individual who is no
37 longer working or whose total weekly hours of work have been reduced).

38 “(e) Submission of Required Information.—Any person may submit applicable paid
39 leave information with respect to an individual, including, as applicable, the individual’s
40 representative, the individual’s employer, or any relevant authority identified under
41 section 2204(b)(2). For purposes of this subsection, the term ‘applicable paid leave
42 information’ means, with respect to an individual, any information submitted to the

1 Commissioner with respect to the comprehensive paid leave benefits of the individual,
2 including any initial application, periodic benefit claim report, appeal, and any other
3 information submitted in support of such application, report, or appeal.

4 **“SEC. 2204. BENEFIT DETERMINATION AND** 5 **PAYMENT.**

6 **“(a) In General.—An individual seeking benefits under section 2202 shall file an**
7 **application with the Commissioner containing at least the information described in**
8 **subsection (b). Any information contained in an application for benefits under section**
9 **2202, or in a periodic benefit claim report filed with respect to such benefits, shall be**
10 **presumed to be true and accurate, unless the Commissioner demonstrates by a**
11 **preponderance of the evidence that information contained in the application or periodic**
12 **benefit claim report is false, except that the Commissioner shall mandate procedures to**
13 **validate the identity of such individual.**

14 **“(b) Required Contents of Initial Application.—An application for a comprehensive paid**
15 **leave benefit filed by an individual shall include—**

16 **“(1) an attestation that the individual has, or anticipates having, at least 4 caregiving**
17 **hours in a week ending at any time during the period that begins 90 days before the**
18 **date on which such application is filed or not later than 90 days after such date;**

19 **“(2) at the option of the Commissioner, a certification, issued by a relevant authority**
20 **identified under regulations issued by the Commissioner, that contains such**
21 **information as the Commissioner shall specify in regulations as necessary to affirm the**
22 **circumstances giving rise to the need for such caregiving hours, which shall be no**
23 **more than is required for reasonable documentation (as defined in section 2210);**

24 **“(3) an attestation from the individual that notice of the individual’s need to be**
25 **absent from work during such caregiving hours has been provided, not later than 7**
26 **days after such need arises, to the individual’s employer (except in cases of hardship**
27 **or other extenuating circumstances or if the individual does not have (or no longer**
28 **has) an employer);**

29 **“(4) pay stubs or such other evidence as the individual may provide demonstrating**
30 **the individual’s wages or self-employment income during the period described in**
31 **section 2202(a)(3), except that the Commissioner may waive this requirement in any**
32 **case in which such evidence is otherwise available to the Commissioner; and**

33 **“(5) an attestation from the individual stating the number of hours in a regular**
34 **workweek of the individual (within the meaning of section 2203(d)).**

35 **In the case of an individual who applies for a comprehensive paid leave benefit in the**
36 **anticipation of caregiving hours occurring after the date of application, the certification**
37 **described in paragraph (2), the attestations described in paragraphs (3) and (5), and the**
38 **evidence described in paragraph (4) may be provided after the 1st week in which at least 4**
39 **such caregiving hours occur.**

40 **“(c) Periodic Benefit Claim Report.—**

41 **“(1) IN GENERAL.—Except as provided in paragraph (2), not later than 60 days (or**

1 such longer period as may be provided in any case in which the Commissioner
2 determines that good cause exists for an extension) after the end of each month during
3 the benefit period of an individual entitled to benefits under section 2202, the
4 individual shall file a periodic benefit claim report with the Commissioner. Such
5 periodic benefit claim report shall specify the caregiving hours of the individual that
6 occurred during each week that ended in such month. No periodic benefit claim report
7 shall be required with respect to any week in which fewer than 4 caregiving hours
8 occurred.

9 “(2) RETROACTIVE APPLICATIONS.—In the case of an application filed by an
10 individual for a comprehensive paid leave benefit with a benefit period that begins, in
11 accordance with section 2202(b)(2), with a month that ends before the date on which
12 such application is filed, the individual may include with such application the
13 information described in the second sentence of paragraph (1) with respect to each
14 week in the benefit period that ends before such date.

15 “(d) Determinations.—

16 “(1) INITIAL APPLICATION.—The Commissioner shall determine, with respect to an
17 individual applying for benefits under section 2202, the initial entitlement and the
18 benefit period in accordance with such section, and the weekly benefit rate, average
19 weekly earnings, and the number of hours in a regular workweek in accordance with
20 section 2203.

21 “(2) MONTHLY BENEFIT DETERMINATIONS.—On the basis of the information filed
22 with the Commissioner pursuant to subsection (c), the Commissioner shall determine,
23 with respect to an individual for each week ending in a month, the number of
24 caregiving hours to be credited to such week in accordance with section 2203(c).

25 “(3) CHANGING CIRCUMSTANCES.—If more than one type of circumstance gives rise
26 to the need for caregiving hours during the individual’s benefit period, such caregiving
27 hours shall be credited to weeks within the benefit period in accordance with section
28 2203(c) regardless of circumstance.

29 “(e) Certification of Payment.—Not later than 15 days after the making of a
30 determination under subsection (d)(2) with respect to the number of caregiving hours of an
31 individual to be credited to weeks ending in a month, the Commissioner shall certify
32 payment of the comprehensive paid leave benefit for such month to be made to such
33 individual, and the Secretary of the Treasury shall make such payment in accordance with
34 the certification of the Commissioner of Social Security.

35 “(f) Regulations and Procedures.—The Commissioner shall have full power and
36 authority to make rules and regulation, including interim final regulations, and to establish
37 procedures, not inconsistent with this title, which are necessary and appropriate to carry
38 out this title.

39 “SEC. 2205. APPEALS.

40 “(a) In General.—An individual shall have the right—

41 “(1) to appeal to the Commissioner any determination made with respect to—

1 “(A) comprehensive paid leave benefits under section 2202; and

2 “(B) comprehensive paid leave benefits under an employer-sponsored program
3 described in section 2209 whose appeal to the employer (or administering entity)
4 pursuant to subsection (b)(1)(B)(iii)(I) of such section results in a determination
5 unfavorable to the individual; and

6 “(2) to have the appeal heard in a timely manner by a decisionmaker who was not
7 the initial decisionmaker and who reviews any additional evidence submitted.

8 “(b) Treatment of Determinations on Appeal.—Any determination by the Commissioner
9 on an appeal under this section shall be a final determination.

10 **“SEC. 2206. ACCURATE PAYMENT.**

11 “(a) Underpayments and Overpayments.—

12 “(1) IN GENERAL.—Whenever the Commissioner determines that more or less than
13 the correct amount of payment has been made to any individual under this title, the
14 Commissioner shall promptly notify the individual of such determination and inform
15 the individual of the right to appeal such determination in accordance with the
16 provisions of section 2205. Proper adjustment or recovery shall be made as follows:

17 “(A) UNDERPAYMENTS.—With respect to payment to an individual of less than
18 the correct amount, the Commissioner shall promptly pay the balance of the
19 amount due to such underpaid individual.

20 “(B) OVERPAYMENTS.—

21 “(i) IN GENERAL.—With respect to payment to an individual of more than
22 the correct amount, the Commissioner shall decrease any payment for a
23 month under section 2202 to which such overpaid individual is entitled
24 (except that no such payment may be decreased in any manner that results in
25 weekly benefit amounts for each week ending during such month that are
26 less than the lower of the weekly benefit amounts for each such week as
27 determined for such individual under section 2203(a) or the amount specified
28 in clause (ii) with respect to such weekly benefit amounts of the individual),
29 or shall require such overpaid individual to refund the amount in excess of
30 the correct amount, or shall apply any combination of the foregoing.

31 “(ii) LIMITATION ON RECOVERY.—

32 “(I) AMOUNT SPECIFIED.—The amount specified in this clause with
33 respect to a weekly benefit amount of an individual for a week is an
34 amount equal to the weekly benefit amount that would be determined
35 for the individual for such week under section 2203(a) if the individual’s
36 weekly benefit rate (as determined under section 2203(b)) were equal to
37 the applicable dollar amount as determined under subclause (II).

38 “(II) APPLICABLE DOLLAR AMOUNT.—For purposes of subclause (I),
39 the applicable dollar amount is—

40 “(aa) with respect to a weekly benefit amount determined for a

1 week ending in a month in calendar year 2024, \$315; and

2 “(bb) with respect to a weekly benefit amount determined for a
3 week ending in a month in any calendar year after 2024, the
4 corresponding amount established with respect to a weekly benefit
5 amount determined for a week ending in a month in the calendar
6 year preceding such calendar year or, if larger, the product of the
7 corresponding amount specified in item (aa) with respect to a
8 weekly benefit amount determined for a week ending in a month in
9 calendar year 2024 multiplied by the quotient obtained by
10 dividing—

11 “(AA) the national average wage index (as defined in section
12 2210) for the second calendar year preceding such calendar year,
13 by

14 “(BB) the national average wage index (as so defined) for 2022.

15 “(2) WAIVER OF CERTAIN OVERPAYMENTS.—In any case in which more than the
16 correct amount of payment for comprehensive paid leave benefits under section 2202
17 has been made, there shall be no adjustment of payments to, or recovery from, any
18 individual who was without fault in connection with the overpayment if such
19 adjustment or recovery would defeat the purpose of this title or would impede efficient
20 or effective administration of this title, or if such individual relied on the receipt or
21 expected payment of comprehensive paid leave benefits under section 2202 to make a
22 financial decision. In considering whether an individual is without fault, the
23 Commissioner shall take into account the individual’s age and any physical
24 impairment or mental impairment (including intellectual disability), limited English
25 proficiency, low levels of literacy skills, educational limitations, and any other
26 circumstances that may render the individual not at fault.

27 “(b) Civil Monetary Penalty.—

28 “(1) IN GENERAL.—Any person who knowingly makes a false statement,
29 misrepresents a fact, or omits material information in connection with an application
30 for benefits under section 2202 or a periodic benefit claim report under section 2204
31 shall be subject to a civil monetary penalty of not more than the amount determined
32 under paragraph (2) for a calendar year for each such statement, misrepresentation,
33 or omission.

34 “(2) AMOUNT DETERMINED.—The amount determined under this paragraph for a
35 calendar year shall be the amount that would be in effect for such calendar year if
36 such penalty—

37 “(A) had been first established in the amount of \$5,000 in calendar year 1994;
38 and

39 “(B) had been initially adjusted for inflation in calendar year 2016.

40 “(c) Exclusion From Participation.—

41 “(1) IN GENERAL.—No person or entity who—

1 **“(A) knowingly and willfully makes or causes to be made any false statement or**
2 **representation of a material fact in any application for any benefit under this title,**

3 **“(B) at any time knowingly and willfully makes or causes to be made any false**
4 **statement or representation of a material fact for use in determining rights to any**
5 **such benefit,**

6 **“(C) having knowledge of the occurrence of any event affecting (i) his initial or**
7 **continued right to any such benefit, or (ii) the initial or continued right to any**
8 **such benefit of any other individual in whose behalf he has applied for or is**
9 **receiving such benefit, conceals or fails to disclose such event with an intent**
10 **fraudulently to secure such benefit either in a greater amount or quantity than is**
11 **due or when no such benefit is authorized,**

12 **“(D) having made application to receive any such benefit for the use and benefit**
13 **of another and having received it, knowingly and willfully converts such benefit**
14 **or any part thereof to a use other than for the use and benefit of such other**
15 **person, or**

16 **“(E) conspires to take any action described in any of subparagraphs (A)**
17 **through (C),**

18 **may represent, or submit evidence on behalf of, an individual applying for, or**
19 **receiving, benefits under this title.**

20 **“(2) EFFECTIVE DATE.—An exclusion under this paragraph shall be effective with**
21 **respect to services furnished to any individual on or after the effective date of the**
22 **exclusion. Nothing in this paragraph may be construed to preclude consideration of**
23 **any medical evidence derived from services provided by a health care provider before**
24 **the effective date of the exclusion of the health care provider under this subsection.**

25 **“(d) Redetermination of Entitlement.—**

26 **“(1) IN GENERAL.—**

27 **“(A) TERMINATION OR REVERSAL OF BENEFITS.—The Commissioner shall**
28 **immediately redetermine the entitlement of an individual to comprehensive paid**
29 **leave benefits under section 2202 if there is reason to believe that fraud or similar**
30 **fault was involved in the application of the individual for such benefits.**

31 **“(B) DISREGARD OF CERTAIN EVIDENCE.—When redetermining the entitlement,**
32 **or making an initial determination of entitlement, of an individual under this title,**
33 **the Commissioner shall disregard any evidence if there is reason to believe that**
34 **fraud or similar fault was involved in the providing of such evidence.**

35 **“(2) SIMILAR FAULT DESCRIBED.—For purposes of paragraph (1), similar fault is**
36 **involved with respect to a determination if—**

37 **“(A) an incorrect or incomplete statement that is material to the determination**
38 **is knowingly made; or**

39 **“(B) information that is material to the determination is knowingly concealed.**

40 **“(3) TERMINATION OF BENEFITS.—If, after redetermining pursuant to this subsection**

1 the entitlement of an individual to comprehensive paid leave benefits, the
2 Commissioner determines that there is insufficient evidence to support such
3 entitlement, the Commissioner may terminate such entitlement and may treat benefits
4 paid on the basis of such insufficient evidence as overpayments.

5 **“SEC. 2207. FUNDING FOR BENEFIT PAYMENTS,**
6 **GRANTS, AND PROGRAM ADMINISTRATION.**

7 **“(a) Funding for Benefit Payments and Grants.—In addition to amounts otherwise**
8 **available, there are appropriated, out of any funds in the Treasury not otherwise**
9 **appropriated, such sums as may be necessary to pay benefits under section 2202 and for**
10 **grants under sections 2208 and 2209.**

11 **“(b) Funding for Program Administration.—**

12 **“(1) IN GENERAL.—In addition to amounts otherwise available, there is**
13 **appropriated, out of any funds in the Treasury not otherwise appropriated,**
14 **\$1,500,000,000 for fiscal year 2022 and \$1,590,700,000 for each subsequent fiscal year**
15 **(subject to paragraph (2)) for timely and accurate administration of all sections of this**
16 **title, including costs related to necessary customer service, staffing, technology,**
17 **training, data sharing, identity validation, technical assistance to legacy States under**
18 **section 2208 and employers or employer-designated third party administrators under**
19 **section 2209, public education and outreach to potential beneficiaries, and research for**
20 **the purpose of ensuring full and equitable access to the programs under this title.**

21 **“(2) INDEXING TO WAGE GROWTH.—For each fiscal year after 2024, there shall be**
22 **substituted for the dollar amount specified in paragraph (1) for such fiscal year an**
23 **amount equal to the larger of the dollar amount in effect under this subsection for the**
24 **fiscal year preceding such fiscal year or the product of \$1,590,700,000 multiplied by**
25 **the ratio of—**

26 **“(A) the national average wage index (as defined in section 2210) for the most**
27 **recent calendar year that ends before the beginning of such preceding fiscal year,**
28 **to**

29 **“(B) the national average wage index (as so defined) for 2021.**

30 **“(3) NO USE OF TITLE II FUNDS.—No funds made available for the administration of**
31 **title II may be used to carry out the paid leave program established under this title.**

32 **“(c) Appropriation.—In addition to amounts otherwise available, there is appropriated**
33 **for fiscal year 2022, out of any funds in the Treasury not otherwise appropriated,**
34 **\$2,000,000,000, to remain available until expended, for necessary administrative expenses**
35 **of the Social Security Administration.**

36 **“(d) Availability of Emergency Funding.—In addition to amounts otherwise available,**
37 **there is appropriated for fiscal year 2022, out of any funds in the Treasury not otherwise**
38 **appropriated, \$500,000,000, to remain available until expended, for administrative**
39 **expenses described in subsection (b)(1) during fiscal year 2024 or any subsequent fiscal**
40 **year, except that such amount shall not be available in any fiscal year unless the**
41 **Commissioner determines that the number of applications filed during such fiscal year for**

1 comprehensive paid leave benefits under section 2202(a) will exceed the number that were
2 anticipated to be filed during such fiscal year (as determined by the Commissioner) by 20
3 percent or more.

4 **“SEC. 2208. FUNDING FOR STATE ADMINISTRATION** 5 **OPTION FOR LEGACY STATES.**

6 **“(a) In General.—In each calendar year beginning with calendar year 2025, the**
7 **Commissioner shall make a grant to each State that, for the calendar year preceding such**
8 **calendar year, was a legacy State and that met the data sharing requirements of subsection**
9 **(e), in an amount equal to the lesser of—**

10 **“(1) an amount, as estimated by the Commissioner, equal to the total amount of**
11 **comprehensive paid leave benefits that would have been paid under section 2202**
12 **(including the costs to the Commissioner to administer such benefits, not to exceed (for**
13 **purposes of estimating such total amount under this paragraph) 7 percent of the total**
14 **amount of such benefits paid) to individuals who received paid family and medical**
15 **leave benefits under a State law described in paragraph (1) or (3) of subsection (b)**
16 **during the calendar year preceding such calendar year if the State had not been a**
17 **legacy State for such preceding calendar year; or**

18 **“(2) an amount equal to the total cost of paid family and medical leave benefits**
19 **under a State law described in paragraph (1) or (3) of subsection (b) for the calendar**
20 **year preceding such calendar year, including—**

21 **“(A) any paid family and medical leave benefits provided by an employer**
22 **(whether directly, under a contract with an insurer, or provided through a**
23 **multiemployer plan) as described in subsection (d); and**

24 **“(B) the full cost to the State of administering such law (except that such cost**
25 **may not exceed 7 percent of the total amount of paid family and medical leave**
26 **benefits paid under such State law).**

27 **In any case in which, during any calendar year, the Commissioner has reason to believe**
28 **that a State will be a legacy State and meet the data sharing requirements of subsection (e)**
29 **for such calendar year, the Commissioner may make estimated payments during such**
30 **calendar year of the grant which would be paid to such State in the succeeding calendar**
31 **year, to be adjusted as appropriate in the succeeding calendar year.**

32 **“(b) Legacy State.—For purposes of this section, the term ‘legacy State’ for a calendar**
33 **year means a State with respect to which the Commissioner determines that—**

34 **“(1) the State has enacted, not later than the date of enactment of this title, a State**
35 **law that provides paid family and medical leave benefits;**

36 **“(2) for any calendar year that begins before the date that is 3 years after the date of**
37 **enactment of this title, the State certifies to the Commissioner that the State intends to**
38 **remain a legacy State and meet the data sharing requirements of subsection (e) at least**
39 **through the first calendar year that begins on or after such date; and**

40 **“(3) for any calendar year that begins on or after such date, a State law of the State**
41 **provides for a State program to remain in effect throughout such calendar year that**

1 provides comprehensive paid family and medical leave benefits (which may be paid
2 directly by the State or, if permitted under such State law, by an employer pursuant to
3 such State law)—

4 “(A) for at least 4 full workweeks of leave during each 12-month period to at
5 least all of those individuals in the State who would be eligible for comprehensive
6 paid leave benefits under section 2202 (without regard to section 2202(c)(2)(D)),
7 except that the State shall provide such benefits for leave from employment by the
8 State or any political subdivision thereof, and may elect to provide such benefits
9 for leave from any other governmental employment;

10 “(B) at a wage replacement rate that is at least equivalent to the wage
11 replacement rate under the comprehensive paid leave benefit program under
12 section 2202 (without regard to section 2202(c)(2)(D)).

13 “(c) Covered Employment Under the Law of a Legacy State.—For purposes of this title,
14 the term ‘covered employment under the law of a legacy State’ means employment (or
15 self-employment) with respect to which an individual would be eligible to receive paid
16 family and medical benefits under the State law of a State, as described in paragraph (1) or
17 (3) of subsection (b), during any period during which such State is a legacy State.

18 “(d) Employer-provided Benefits in a Legacy State.—

19 “(1) TREATMENT FOR PURPOSES OF THIS TITLE.—Notwithstanding any provision of
20 section 2209, in the case of a State that permits paid family and medical leave benefits
21 to be provided by an employer (whether directly, under a contract with an insurer, or
22 provided through a multiemployer plan) pursuant to a State law described in
23 paragraph (1) or (3) of subsection (b)—

24 “(A) such benefits shall be considered, for all purposes under this title, paid
25 family and medical leave benefits under the law of a legacy State; and

26 “(B) leave for which such benefits are paid shall be considered, for all such
27 purposes, leave from covered employment under the law of a legacy State.

28 “(2) DISTRIBUTION OF GRANT FUNDS.—In any case in which paid family and medical
29 leave benefits are provided by one or more employers (whether directly, under a
30 contract with an insurer, or provided through a multiemployer plan) in a legacy State
31 pursuant to a State law described in paragraph (1) or (3) of subsection (b), the State,
32 upon the receipt of any grant amount under subsection (a), may distribute an
33 appropriate share of such grant to each such employer.

34 “(e) Data Sharing.—As a condition of receiving a grant under subsection (a) in a
35 calendar year, a State shall enter into an agreement with the Commissioner under which
36 the State shall provide the Commissioner—

37 “(1) with information, to be provided periodically as determined by the
38 Commissioner, concerning individuals who received a paid leave benefit under a State
39 law described in paragraph (1) or (3) of subsection (b), including each individual’s
40 name, information to establish the individual’s identity, dates for which such paid
41 leave benefits were paid, the amount of such paid leave benefit, and, to the extent
42 available, such other information concerning such individuals as necessary for the

1 purpose of carrying out this section and section 2202(c)(2)(D);

2 “(2) not later than July 1 of such calendar year, the amount described in subsection
3 (a)(2) for the calendar year preceding such calendar year; and

4 “(3) such other information as needed to determine compliance with grant
5 requirements.

6 “(f) Greater Benefits Permitted.—Nothing in this section shall be construed to prohibit a
7 legacy State or an employer providing benefits pursuant to a legacy State law from
8 providing paid family and medical leave benefits that exceed the requirements described in
9 this section.

10 **“SEC. 2209. REIMBURSEMENT OPTION FOR**
11 **EMPLOYER-SPONSORED COMPREHENSIVE PAID**
12 **LEAVE BENEFITS.**

13 “(a) In General.—For each calendar year beginning with calendar year 2024, the
14 Commissioner shall make a grant to each employer that is an eligible employer for such
15 calendar year in an amount equal to—

16 “(1) in the case of an eligible employer sponsoring a comprehensive paid leave
17 benefit program with respect to which benefits are awarded and paid under a contract
18 with an insurer (or through a multiemployer plan), an amount (not to exceed the
19 employer’s expenditures for such program) equal to the lesser of—

20 “(A) 90 percent of the product of—

21 “(i) the projected national average cost per individual of providing
22 comprehensive paid leave benefits under section 2202 as determined by the
23 Commissioner for such calendar year under subsection (c)(3) (or, in the case
24 of a calendar year during which the eligible employer sponsored such
25 comprehensive paid leave benefit program for only a fraction of the year, an
26 equal fraction of such projected national average cost); multiplied by

27 “(ii) the number of eligible employees (within the meaning of subsection
28 (b)(1)(A) and pro-rated for part-time eligible employees) whose employment
29 is covered employment under the employer-sponsored program (as defined
30 in subsection (g)) for such calendar year (or, in the case of a calendar year
31 during which the eligible employer sponsored such comprehensive paid leave
32 benefit program for only a fraction of the year, for such fraction of the year);
33 and

34 “(B) 90 percent of the total premiums paid to the insurer (or contributions paid
35 to the multiemployer plan) by the eligible employer under such contract (or such
36 plan) for such calendar year (or such fraction thereof) for the coverage under
37 such contract (or such plan) of eligible employees of the employer; and

38 “(2) in the case of an eligible employer sponsoring a self-insured comprehensive paid
39 leave benefit program with respect to which benefits are awarded and paid directly by
40 the employer (or by a third party administrator on behalf of the employer), an amount

1 equal to 90 percent of—

2 “(A) the amount of benefits paid under the program for such calendar year to
3 eligible employees of the employer for up to 4 weeks of leave per eligible
4 employee; or

5 “(B) if lesser, the product of the national average weekly benefit amount paid
6 under section 2203(a) during such calendar year multiplied by the number of
7 weeks of leave (up to 4 per eligible employee) paid by the employer for all eligible
8 employees under the program for the calendar year.

9 “(b) Eligibility.—

10 “(1) IN GENERAL.—For purposes of subsection (a), an eligible employer for a
11 calendar year is an employer (other than the Federal Government or the government
12 of any State (or political subdivision thereof) that is a legacy State for such calendar
13 year under section 2208) that satisfies all of the following requirements:

14 “(A) NON-LEGACY STATE EMPLOYEES.—The employer has one or more
15 employees during such calendar year whose employment with such employer is
16 not covered employment under the law of a legacy State (as defined in section
17 2208(c)) (in this section referred to as ‘eligible employees’).

18 “(B) GRANT CONDITIONS.—As a condition of the grant, the employer agrees—

19 “(i) that, on return from leave under the program described in
20 subparagraph (C)(ii), the eligible employee taking such leave will—

21 “(I) be restored by the employer to the position of employment held
22 by the eligible employee when the leave commenced; or

23 “(II) be restored to an equivalent position with equivalent
24 employment benefits, pay, and other terms and conditions of
25 employment;

26 “(ii) to maintain coverage for the eligible employee under any ‘group
27 health plan’ (as defined in section 2210) for the duration of such leave at the
28 level and under the conditions coverage would have been provided if the
29 eligible employee had continued in employment continuously for the
30 duration of such leave;

31 “(iii) in any case in which an eligible employee receives an adverse
32 determination from the employer (or administering entity) with respect to
33 comprehensive paid leave benefits under the program described in
34 subparagraph (C)(ii)—

35 “(I) to provide opportunity for the eligible employee to appeal such
36 adverse determination to the employer (or administering entity); and

37 “(II) in any case in which the eligible employee elects to appeal the
38 results of such initial appeal to the Commissioner pursuant to section
39 2205(a)(1)(B) and the final decision of the Commissioner is in the eligible
40 employee’s favor, to provide for the payment of such comprehensive
41 paid leave benefits in addition to the costs to the Commissioner of such

1 secondary appeal;

2 “(iv) to provide annual notice to all eligible employees stating that their
3 employment is covered employment under an employer-sponsored program
4 (as defined in subsection (g)) and informing them of the right to appeal any
5 adverse determination with respect to comprehensive paid leave benefits
6 under the program described in subparagraph (C)(ii); and

7 “(v) not to impose any fee on any eligible employee related to ensuring
8 coverage, or to the receipt of comprehensive paid leave benefits, under the
9 program described in subparagraph (C)(ii).

10 “(C) APPLICATION; SUBMISSION OF REQUIRED INFORMATION.—Not later than
11 the certification deadline specified in paragraph (2)(A) for such calendar year, the
12 employer—

13 “(i) notifies the Commissioner that the employer intends to seek a grant
14 under this section for such calendar year;

15 “(ii) certifies to the Commissioner that the employer will have in effect
16 during such calendar year a comprehensive paid leave benefit program that
17 meets the requirements of subsection (c) and, not later than the submission
18 deadline specified in paragraph (2)(B) for such calendar year, provides all
19 documentation relating to such program as the Commissioner may request;
20 and

21 “(iii) pays an application fee to the Commissioner in accordance with this
22 subparagraph, such amounts to remain available to the Commissioner
23 without further appropriation, in addition to amounts otherwise available, to
24 administer this section and appeals described in section 2205(a)(1)(B).

25 In the case of an initial application, the application fee under this subparagraph
26 shall be \$500 for an employer with 50 or fewer employees, \$1,000 for an employer
27 with more than 50 but fewer than 500 employees, and \$2,000 for an employer
28 with 500 or more employees. In the case of a renewed application, the application
29 fee under this subparagraph shall be \$200.

30 “(D) APPROVAL BY THE COMMISSIONER.—The comprehensive paid leave benefit
31 program referred to in subparagraph (C)(ii) is subsequently approved by the
32 Commissioner as meeting all applicable requirements.

33 “(E) INFORMATION SUBMISSION REQUIREMENT.—At the time of application for
34 such grant for each calendar year, the employer—

35 “(i) submits to the Commissioner—

36 “(I) an attestation that the comprehensive paid leave benefit program
37 referred to in subparagraph (C)(ii) will remain in effect during the
38 whole of such calendar year (or, in the case of a program not in effect at
39 the beginning of such calendar year, an attestation that such program
40 will remain in effect until the end of such calendar year); and

41 “(II) with respect to each eligible employee of the employer whose

1 employment is covered employment under the employer-sponsored
2 program (as defined in subsection (g)) for such calendar year, the
3 eligible employee's name, information to establish the eligible
4 employee's identity, and in the case of a part-time eligible employee (for
5 purposes of determining the number of eligible employees (pro-rated for
6 part-time eligible employees) covered under the program for such
7 calendar year under subsection (a)(1)(B)), the number of hours the
8 eligible employee regularly works in a week; and

9 "(ii) agrees to submit information to the Commissioner as described in
10 subsection (e).

11 "(F) MAINTENANCE OF RECORDS.—The employer agrees to retain all records
12 relating to the employer's comprehensive paid leave benefit program for not less
13 than 3 years.

14 "(G) ADDITIONAL GRANT REQUIREMENTS.—As a condition of the grant, the
15 employer (or administering entity) does not—

16 "(i) interfere with, restrain, or deny the exercise of, or the attempt to
17 exercise, any right provided under the program described in subparagraph
18 (C)(ii); or

19 "(ii) discharge, or in any other manner discriminate against, any eligible
20 employee for opposing any practice prohibited by such program.

21 "(H) ADDITIONAL ELIGIBILITY REQUIREMENTS FOR SELF-INSURED
22 EMPLOYERS.—In the case of a comprehensive paid leave benefit program of an
23 employer with respect to which benefits are awarded and paid directly by the
24 employer (or by a third party administrator on behalf of the employer)—

25 "(i) such employer employs at least 50 eligible employees; and

26 "(ii) such benefits are guaranteed by a surety bond held by the employer.

27 "(2) TIMING OF APPLICATION.—

28 "(A) CERTIFICATION.—The certification deadline specified in this
29 subparagraph for a calendar year is the date that is 90 days before the beginning
30 of the calendar year, or, if later, the date that is 90 days before a plan described in
31 paragraph (1)(C)(ii) first goes into effect.

32 "(B) SUBMISSION OF DOCUMENTATION.—The submission deadline specified in
33 this subparagraph for a calendar year is the date that is 45 days before the
34 beginning of the calendar year, or, if later, the date that is 45 days before a plan
35 described in paragraph (1)(C)(ii) first goes into effect.

36 "(c) Employer Program Requirements.—

37 "(1) IN GENERAL.—A comprehensive paid leave benefit program shall not be
38 considered to meet the requirements of this subsection unless such program consists of
39 a written employer policy in accordance with paragraph (2) that provides for the
40 payment, through one or more employee benefit plans, of family and medical leave
41 benefits (in addition to any paid vacation, paid sick leave, or paid consolidated leave

1 otherwise provided), which may be guaranteed through an insurer or provided
2 through a multiemployer plan and which may be administered by an insurer,
3 multiemployer plan, or by another third-party entity, that includes each element
4 described in subparagraphs (A) through (H) of paragraph (2), and under which the
5 employer provides for each of the following:

6 “(A) Each of the additional grant conditions described in subsection (b)(1)(B).

7 “(B) Each of the requirements described in subsection (b)(1)(G).

8 “(C) Submission of information to the Commissioner as described in subsection
9 (e).

10 “(2) **COMPREHENSIVE PAID LEAVE PLAN REQUIREMENTS FOR GRANTEES.**—As a
11 condition of a grant under this section, the written employer policy referred to in
12 paragraph (1) shall provide comprehensive paid leave benefits—

13 “(A) to all eligible employees of the employer, regardless of length of service,
14 job type, membership in a labor organization, seniority status, or any other
15 employee classification;

16 “(B) at a wage replacement rate that is at least as great as the wage
17 replacement rate that an eligible employee would receive under the
18 comprehensive paid leave benefit program under section 2202 (without regard to
19 section 2202(c)(2)(C));

20 “(C) for a total number of weeks of paid leave that is at least as great as the
21 total number of weeks of paid leave that an eligible employee would receive under
22 such program (without regard to such section);

23 “(D) for all qualifying reasons (as described in subparagraphs (A), (B), and (C)
24 of section 2210(6)), regardless of any pre-existing medical conditions;

25 “(E) for leave which may be taken intermittently or on a reduced leave
26 schedule;

27 “(F) that does not impose any fee on any eligible employee related to ensuring
28 coverage for, or to the receipt of, such benefits;

29 “(G) which must be paid not less frequently than monthly; and

30 “(H) for which any information contained in an application for such benefits
31 shall be presumed to be true and accurate, unless the employer (or administering
32 entity) demonstrates by a preponderance of the evidence that information
33 contained in the application is false.

34 “(3) **NATIONAL AVERAGE COST.**—Not later than October 1 of the calendar year
35 before each calendar year beginning with 2024, the Commissioner shall determine and
36 publish the projected national average cost per individual of providing comprehensive
37 paid leave benefits under section 2202 for such calendar year, such cost to be
38 determined by dividing the total cost of benefits under such section for such calendar
39 year (including the costs to the Commissioner to administer such benefits, not to
40 exceed (for purposes of calculating the national average cost under this paragraph) 7
41 percent of the total amount of such benefits paid) by the number of individuals—

1 “(A) who have wages or self-employment income at any time during such
2 calendar year; and

3 “(B) whose employment in a regular workweek (within the meaning of section
4 2203(d)) includes employment that is not covered employment under an
5 employer-sponsored program (as defined in subsection (g) of this section) or
6 covered employment under the law of a legacy State (as defined in section
7 2208(c)).

8 “(d) Timing of Payment; Penalty for Late Filing.—

9 “(1) INSURED EMPLOYERS AND EMPLOYERS CONTRIBUTING TO MULTIEMPLOYER
10 PLANS.—A grant paid under this section for a calendar year to an eligible employer
11 described in subsection (a)(1) shall be paid by the Commissioner not later than 30 days
12 after the beginning of such calendar year.

13 “(2) SELF-INSURED EMPLOYERS.—A grant paid under this section for a calendar
14 year to an eligible employer described in subsection (a)(2) shall be paid by the
15 Commissioner not later than March 31 of the calendar year succeeding such calendar
16 year.

17 “(3) PENALTY FOR LATE FILING.—In any case in which an eligible employer seeking
18 a grant under this subsection for a calendar year fails to submit all required
19 documentation by the submission deadline for such calendar year as required under
20 subsection (b)(2)(B)—

21 “(A) the grant for such calendar year for such employer shall not be paid until
22 45 days after the date of payment otherwise specified in paragraph (1) or (2), as
23 applicable; and

24 “(B) the amount of such grant shall be reduced by 2 percent for each 7 days by
25 which such submission deadline is exceeded.

26 “(e) Information Submission.—As a condition of receiving a grant under subsection (a)
27 for a calendar year, an employer shall provide the Commissioner with information, at such
28 times and in such manner as required by the Commissioner, concerning eligible employees
29 who received a paid leave benefit under the comprehensive paid leave benefit program of
30 the employer, including each eligible employee’s name, information to establish the eligible
31 employee’s identity, dates for which such paid leave benefits were paid, the amount of such
32 paid leave benefit, and, to the extent available, such other information concerning such
33 eligible employees as needed for the purpose of carrying out this section and section
34 2202(c)(2)(C), and for otherwise carrying out the provisions of this title.

35 “(f) Enforcement and Grant Recovery.—

36 “(1) IN GENERAL.—The Commissioner shall conduct periodic reviews of employers
37 receiving grants under this section (and of entities administering such programs). The
38 Commissioner may withdraw approval of the comprehensive paid leave benefit
39 program of an employer in any case in which the Commissioner finds that the
40 employer (or administering entity) has violated any requirement of this section, may
41 require the employer to repay the full amount of such grant, and may disqualify an
42 employer from receiving subsequent grants (or an administering entity from

1 administering programs) under this section in the case of repeated violations.

2 “(2) PENALTIES RELATING TO APPEALS.—In any case in which the Commissioner
3 determines that a pattern exists with respect to an employer (or administering entity)
4 in which the employer (or administering entity) has incorrectly denied claims for paid
5 leave benefits under the employer-sponsored program and such claims have
6 subsequently been approved by the Commissioner pursuant to an appeal described in
7 section 2205(a)(1)(B), the Commissioner may impose penalties on the employer (or
8 administering entity), which may include requiring the employer to repay the full
9 amount of such grant and a reduction in, or disqualification from, receiving
10 subsequent grants (or an entity from administering programs) under this section.

11 “(3) PENALTIES ON ADMINISTERING ENTITIES.—In the case of a third-party entity
12 administering a comprehensive paid leave benefit program of an employer, such entity
13 shall notify such employer in any case in which a penalty is imposed under this
14 subsection on the administering entity not later than 30 days after the date on which
15 such penalty has been imposed. In any case in which the Commissioner determines
16 that a pattern of misconduct exists with respect to an entity administering benefits
17 under this section for multiple employers, the Commissioner may disqualify such
18 entity from administering employer-sponsored programs receiving subsequent grants
19 under this section.

20 “(4) EMPLOYER AND ADMINISTRATOR APPEALS.—An employer (or administering
21 entity) with respect to which a penalty is imposed under this subsection may appeal
22 such decision to the Commissioner only if such appeal is filed with the Commissioner
23 not later than 60 days after the date of such decision.

24 “(g) Covered Employment Under an Employer-sponsored Program.—For purposes of
25 this title, the term ‘covered employment under an employer-sponsored program’—

26 “(1) means employment with an eligible employer sponsoring a comprehensive paid
27 leave benefit program that meets the requirements of subsection (c) during a calendar
28 year for which the eligible employer receives a grant under subsection (a); and

29 “(2) does not include covered employment under the law of a legacy State (as
30 defined in section 2208(c)).

31 “(h) Greater Benefits Permitted.—Nothing in this section shall be construed to prohibit
32 an eligible employer from providing paid family and medical leave benefits that exceed the
33 requirements described in this section.

34 “SEC. 2210. DEFINITIONS.

35 “For purposes of this title:

36 “(1) COMMISSIONER.—The term ‘Commissioner’ means the Commissioner of Social
37 Security.

38 “(2) ELIGIBILITY.—With respect to any reference in this title to an individual’s
39 eligibility or ineligibility for comprehensive paid leave benefits under section 2202(a)
40 for a month, an individual shall be considered to be eligible for such benefits for such
41 month if, upon filing an application for such benefits for such month, the individual

1 would be entitled to such benefits for such month.

2 “(3) **GROUP HEALTH PLAN.**—The term ‘group health plan’ has the meaning given
3 such term in section 5000(b)(1) of the Internal Revenue Code of 1986.

4 “(4) **MULTIEMPLOYER PLAN.**—The term ‘multiemployer plan’ has the meaning given
5 such term in section 3(37) of the Employee Retirement Income Security Act of 1974
6 (29 U.S.C. 1002(37)).

7 “(5) **NATIONAL AVERAGE WAGE INDEX.**—The term ‘national average wage index’ has
8 the meaning given such term in section 209(k)(1).

9 “(6) **QUALIFYING REASON.**—The term ‘qualifying reason’ means, with respect to any
10 determination of whether an individual is engaged in qualified caregiving under
11 section 2202(c)(2)(A), any of the following:

12 “(A) A reason described in subparagraph (A) or (B) of section 102(a)(1) of the
13 Family and Medical Leave Act of 1993 (29 U.S.C. 2612(a)(1)) (applied for
14 purposes of this paragraph as if the individual involved were the employee
15 referred to in such section).

16 “(B)(i) In order to care for a qualified family member of the individual, if such
17 qualified family member has a serious health condition.

18 “(ii) For purposes of clause (i)—

19 “(I) the term ‘qualified family member’ means, with respect to an
20 individual—

21 “(aa) a spouse (including a domestic partner in a civil union or other
22 registered domestic partnership recognized by a State) and a spouse’s
23 parent;

24 “(bb) a child and a child’s spouse;

25 “(cc) a parent and a parent’s spouse;

26 “(dd) a sibling and a sibling’s spouse;

27 “(ee) a grandparent, a grandchild, or a spouse of a grandparent or
28 grandchild; and

29 “(ff) any other individual who is related by blood or affinity and
30 whose association with the individual involved is equivalent of a family
31 relationship; and

32 “(II) the term ‘serious health condition’ has the meaning given such term
33 in section 101(11) of the Family and Medical Leave Act of 1993 (29 U.S.C.
34 2611(11)).

35 “(C) Because of a serious health condition (as defined in subparagraph
36 (B)(ii)(II)) that makes the individual unable to satisfy the requirements needed to
37 continue receiving (or in the case of an individual no longer employed, to resume
38 receiving) the wages or self-employment income described in section 2202(a)(3).

39 “(7) **REASONABLE DOCUMENTATION.**—The term ‘reasonable documentation’ means

1 the information that is required to be stated under subsection (b) of section 103 of the
2 Family and Medical Leave Act of 1993 (29 U.S.C. 2613).

3 “(8) SELF-EMPLOYMENT INCOME.—The term ‘self-employment income’ has the
4 meaning given the term in section 1402(b) of the Internal Revenue Code of 1986 for
5 purposes of the taxes imposed by section 1401(b) of such Code. For purposes of section
6 2202(a) and 2203(b)(3), the Commissioner shall determine rules for the crediting of
7 self-employment income to calendar quarters, under which—

8 “(A) in the case of a taxable year which is a calendar year, self-employment
9 income shall be credited equally to each quarter of such calendar year; and

10 “(B) in the case of any other taxable year, such income shall be credited equally
11 to the calendar quarter in which such taxable year ends and to each of the next
12 three or fewer preceding quarters any part of which is in such taxable year.

13 “(9) STATE.—The term ‘State’ means any State of the United States or the District
14 of Columbia or any territory or possession of the United States.

15 “(10) WAGES.—The term ‘wages’ has the meaning given such term in section
16 3121(a) of the Internal Revenue Code of 1986 for purposes of the taxes imposed by
17 sections 3101(b) and 3111(b) of such Code (without regard to section 3121(u)(2)(C) of
18 such Code), except that such term also includes—

19 “(A) compensation, as defined in section 3231(e) of such Code for purposes of
20 the Railroad Retirement Tax Act; and

21 “(B) unemployment compensation, as defined in section 85(b) of such Code.

22 “(11) WEEK.—The term ‘week’ means a 7-day period beginning on a Sunday.”.

23 **SEC. 130002. ACCESS TO WAGE INFORMATION**
24 **FROM THE NATIONAL DIRECTORY OF NEW HIRES**
25 **FOR THE PURPOSE OF ADMINISTERING**
26 **COMPREHENSIVE PAID LEAVE. A**

27 ** 1 Section ~~4849~~ 453(j) of the Social Security Act (42 U.S.C. ~~4395i3~~ 653(j)) is amended by
28 adding at the end the following new subsection:

29 “(12) INFORMATION COMPARISONS AND DISCLOSURE TO ASSIST IN ADMINISTRATION OF
30 TITLE XXII.—

31 “(A) FURNISHING OF INFORMATION BY THE COMMISSIONER OF SOCIAL
32 SECURITY.—The Commissioner of Social Security shall furnish to the Secretary,
33 on such periodic basis as determined by the Commissioner of Social Security in
34 consultation with the Secretary, information in the custody of the Commissioner
35 of Social Security for comparison with information in the National Directory of
36 New Hires, in order to obtain information in such Directory with respect to
37 individuals for purposes of administering title XXII.

38 “(B) REQUIREMENT TO SEEK MINIMUM INFORMATION.—The Commissioner of
39 Social Security shall seek information pursuant to this section only to the extent

1 **necessary to administer title XXII.**

2 **“(C) DUTIES OF THE SECRETARY.—**

3 **“(i) INFORMATION DISCLOSURE.—The Secretary, in cooperation with the**
4 **Commissioner of Social Security, shall compare information in the National**
5 **Directory of New Hires with information provided by the Commissioner of**
6 **Social Security with respect to individuals described in subparagraph (A),**
7 **and shall disclose information in such Directory regarding such individuals**
8 **to the Commissioner of Social Security, in accordance with this paragraph,**
9 **for the purposes specified in this paragraph.**

10 **“(ii) CONDITION ON DISCLOSURE.—The Secretary shall make disclosures in**
11 **accordance with clause (i) only to the extent that the Secretary determines**
12 **that such disclosures do not interfere with the effective operation of the**
13 **program under this part.**

14 **“(D) USE OF INFORMATION BY THE COMMISSIONER OF SOCIAL SECURITY.—The**
15 **Commissioner of Social Security may use information provided under this**
16 **paragraph only for purposes of administering title XXII, and shall maintain such**
17 **information in the records of the Commissioner of Social Security for such time**
18 **as the Commissioner of Social Security deems necessary for the administration of**
19 **such title.**

20 **“(E) DISCLOSURE OF INFORMATION BY THE COMMISSIONER OF SOCIAL**
21 **SECURITY.—**

22 **“(i) PURPOSE OF DISCLOSURE.—The Commissioner of Social Security may**
23 **make a disclosure under this subparagraph only for purposes of verifying the**
24 **employment and income of individuals described in subparagraph (A).**

25 **“(ii) CONDITIONS ON DISCLOSURE.—Disclosures under this subparagraph**
26 **shall be—**

27 **“(I) made in accordance with data security and control policies**
28 **established by the Commissioner of Social Security and approved by the**
29 **Secretary;**

30 **“(II) subject to audit in a manner satisfactory to the Secretary; and**

31 **“(III) subject to the sanctions under subsection (l)(2).**

32 **“(iii) RESTRICTIONS ON REDISCLOSURE.—A person or entity to which**
33 **information is disclosed under this subparagraph may use or disclose such**
34 **information only as needed for verifying the employment and income of**
35 **individuals described in subparagraph (A), subject to the conditions in clause**
36 **(ii) and such additional conditions as agreed to by the Secretary and the**
37 **Commissioner of Social Security.**

38 **“(F) REIMBURSEMENT OF HHS COSTS.— The Commissioner of Social Security**
39 **shall reimburse the Secretary, in accordance with subsection (k)(3), for the costs**
40 **incurred by the Secretary in furnishing the information requested under this**
41 **paragraph.”.**

1 **SEC. 130003. ACCESS TO SELF-EMPLOYMENT**
2 **INCOME INFORMATION FOR PAID LEAVE**
3 **ADMINISTRATION.**

4 (a) **In General.**—Section 6103(l) of the Internal Revenue Code of 1986 is amended by
5 adding at the end the following new paragraph:

6 “(23) **DISCLOSURE OF CERTAIN RETURN INFORMATION TO CARRY OUT PAID FAMILY**
7 **AND MEDICAL LEAVE BENEFIT PROGRAM.**—

8 “(A) **IN GENERAL.**—The Secretary shall, upon written request, disclose to
9 officers and employees of the Social Security Administration return information
10 with respect to a taxpayer whose self-employment income is relevant in
11 determining entitlement to, or the correct amount of, a paid family and medical
12 leave benefit under title XXII of the Social Security Act. Such information shall
13 be limited to—

14 “(i) the taxpayer identity information with respect to the taxpayer,

15 “(ii) the self-employment income of the taxpayer,

16 “(iii) the taxable year to which such self-employment income relates, and

17 “(iv) if applicable, the fact that any of the preceding information is
18 unavailable.

19 “(B) **RESTRICTION ON DISCLOSURE.**—Return information disclosed under
20 subparagraph (A) may be used by officers and employees of the Social Security
21 Administration solely for the purpose of administering the paid family and
22 medical leave benefit program under title XXII of the Social Security Act.

23 “(C) **SELF-EMPLOYMENT INCOME.**—For purposes of this paragraph, the term
24 ‘self-employment income’ has the meaning given such term in section 1402(b) for
25 purposes of the taxes imposed by section 1401(b).”.

26 (b) **Application of Safeguards.**—Section 6103(p)(4) of such Code is amended by striking
27 “or (22)” in the matter preceding subparagraph (A) and in subparagraph (F)(ii) and
28 inserting “(22), or (23)”.

29 **SEC. 130004. CERTAIN COMPREHENSIVE PAID**
30 **LEAVE BENEFITS EXCLUDED FROM GROSS**
31 **INCOME.**

32 (a) **In General.**—Part III of subchapter B of chapter 1 of the Internal Revenue Code of
33 1986 is amended by inserting after section 139I the following new section:

34 **“SEC. 139J. CERTAIN COMPREHENSIVE PAID LEAVE**
35 **BENEFITS.**

36 “In the case of an individual, gross income shall not include any amount received by the

1 taxpayer by reason of entitlement to a comprehensive paid leave benefit under section
2 2202(a) of the Social Security Act.”.

3 (b) Clerical Amendment.—The table of sections for part III of subchapter B of chapter 1
4 of such Code is amended by inserting after the item relating to section 139I the following
5 new item:

6 “Sec.139J.Certain comprehensive paid leave benefits.”.

7 **Subtitle B—Miscellaneous Health Items**

8 **SEC. 132000. REGISTERED PROFESSIONAL NURSES.**

9 (a) Medicare.—Section 1819(b)(4)(C)(i) of the Social Security Act (42 U.S.C.
10 1395i–3(b)(4)(C)(i)) is amended by striking “registered professional nurse” and all that
11 follows through the period at the end and inserting the following: “registered professional
12 nurse, with respect to such services furnished—

13 “(I) before October 1, 2024, at least 8 consecutive hours a day, 7 days
14 a week; and

15 “(II) on or after such date, 24 hours a day, 7 days a week.”.

16 (b) Medicaid.—Section 1919(b)(4)(C)(i)(II) of the Social Security Act (42 U.S.C.
17 1396r(b)(4)(C)(i)(II)) is amended by striking “registered professional nurse” and all that
18 follows through the period at the end and inserting the following: “registered professional
19 nurse, with respect to such services furnished—

20 “(aa) before October 1, 2024, at least 8 consecutive hours a day, 7
21 days a week; and

22 “(bb) on or after such date, 24 hours a day, 7 days a week.”.

23 **SEC. 132001. PERMANENT EXTENSION OF THE** 24 **INDEPENDENCE AT HOME MEDICAL PRACTICE** 25 **DEMONSTRATION PROGRAM.**

26 ** 2 Section ~~1888(f)~~ 1866E of the Social Security Act (42 U.S.C. ~~1395yy(f)~~ 1395cc–5) is
27 amended by adding at the end the following new ~~paragraph~~ subsection:

28 “(j) Permanent Demonstration Program.—

29 “(1) IN GENERAL.—Notwithstanding subsection (e)(1) and subject to paragraph (2),
30 beginning on the date of enactment of this subsection, the Secretary shall conduct the
31 demonstration program on a permanent basis.

32 “(2) ADJUSTMENTS.—In conducting the demonstration program on a permanent
33 basis pursuant to paragraph (1), the preceding provisions of this section shall apply
34 except that, beginning on the date of enactment of this subsection, the following shall
35 apply:

36 “(A) Notwithstanding paragraphs (1) and (5) of subsection (e)—

37 “(i) there shall be no limit on the number of qualified independence at

1 home medical practices or applicable beneficiaries that may participate in
2 the demonstration program; and

3 “(ii) participation of qualified independence at home medical practices in
4 the demonstration program shall not be limited to practices that were
5 selected to participate prior to the date of enactment of this subsection.

6 “(B) In applying subsection (c), any applicable beneficiary that participates in
7 the demonstration program, including by reason of the elimination under
8 subparagraph (A) of the limit on the number of applicable beneficiaries who may
9 participate, shall be taken into account in establishing any—

10 “(i) estimated annual spending target under subsection (c)(1); and

11 “(ii) incentive payment under subsection (c)(2).

12 “(3) FUNDING.—In addition to amounts otherwise available, there is appropriated to
13 the Centers for Medicare & Medicaid Services Program Management Account for
14 fiscal year 2022, out of any money in the Treasury not otherwise appropriated,
15 \$60,000,000, to remain available until September 30, 2031, for purposes of
16 administering and carrying out the demonstration program, other than for payments
17 for items and services furnished under this title and incentive payments under
18 subsection (c).”.

19 **Subtitle C—Trade Adjustment Assistance**

20 **SEC. 133001. SHORT TITLE.**

21 This subtitle may be cited as the “Trade Adjustment Assistance Modernization Act of
22 2021”.

23 **SEC. 133002. APPLICATION OF PROVISIONS** 24 **RELATING TO TRADE ADJUSTMENT ASSISTANCE.**

25 (a) **Effective Date; Applicability.**—Except as otherwise provided in this subtitle, the
26 provisions of chapters 2 through 6 of title II of the Trade Act of 1974, as in effect on June
27 30, 2021, and as amended by this subtitle, shall—

28 (1) take effect on the date of the enactment of this Act; and

29 (2) apply with respect to petitions for certification filed under chapter 2, 3, 4, or 6 of
30 title II of the Trade Act of 1974 on or after such date of enactment.

31 (b) **Reference.**—Except as otherwise provided in this subtitle, whenever in this subtitle
32 an amendment or repeal is expressed in terms of an amendment to, or repeal of, a
33 provision of chapters 2 through 6 of title II of the Trade Act of 1974, the reference shall be
34 considered to be made to a provision of any such chapter, as in effect on June 30, 2021.

35 (c) **Repeal of Snapback.**—Section 406 of the Trade Adjustment Assistance
36 Reauthorization Act of 2015 (Public Law 114–27; 129 Stat. 379) is repealed.

37 **PART 1—TRADE ADJUSTMENT ASSISTANCE FOR**

WORKERS

SEC. 133101. FILING PETITIONS.

Section 221(a)(1) of the Trade Act of 1974 (19 U.S.C. 2271(a)(1)) is amended—

(1) by amending subparagraph (A) to read as follows:

“(A) One or more workers in the group of workers.”; and

(2) in subparagraph (C), by striking “or a State dislocated worker unit” and inserting “a State dislocated worker unit, or workforce intermediaries, including labor-management organizations that carry out re-employment and training services”.

SEC. 133102. GROUP ELIGIBILITY REQUIREMENTS.

(a) In General.—Section 222(a)(2) of the Trade Act of 1974 (19 U.S.C. 2272(a)(2)) is amended—

(1) in subparagraph (A)—

(A) in clause (i), by inserting “, failed to increase, or will decrease absolutely due to a scheduled or imminently anticipated, long-term decrease in or reallocation of the production capacity of the firm” after “absolutely”; and

(B) in clause (iii)—

(i) by striking “to the decline” and inserting “to any decline or absence of increase”; and

(ii) by striking “or” at the end;

(2) in subparagraph (B)(ii), by striking the period at the end and inserting “; or”; and

(3) by adding at the end the following:

“(C)(i) the sales or production, or both, of such firm have decreased;

“(ii)(I) exports of articles produced or services supplied by such workers’ firm have decreased; or

“(II) imports of articles or services necessary for the production of articles or services supplied by such firm have decreased; and

“(iii) the decrease in exports or imports described in clause (ii) contributed to such workers’ separation or threat of separation and to the decline in the sales or production of such firm.”.

(b) Repeal.—Section 222 of the Trade Act of 1974 (19 U.S.C. 2272) is amended—

(1) in subsections (a) and (b), by striking “importantly” each place it appears; and

(2) in subsection (c)—

(A) by striking paragraph (1); and

(B) by redesignating paragraphs (2) through (4) as paragraphs (1) through (3),

1 respectively.

2 (c) **Eligibility of Staffed Workers and Teleworkers.**—Section 222 of the Trade Act of
3 1974 (19 U.S.C. 2272), as amended by subsection (b), is further amended by adding at the
4 end the following:

5 “(f) **Treatment of Staffed Workers and Teleworkers.**—

6 “(1) **IN GENERAL.**—For purposes of subsection (a), workers in a firm include staffed
7 workers and teleworkers.

8 “(2) **DEFINITIONS.**—In this subsection:

9 “(A) **STAFFED WORKER.**—The term ‘staffed worker’ means a worker who
10 performs work under the operational control of a firm that is the subject of a
11 petition filed under section 221, even if the worker is directly employed by
12 another firm.

13 “(B) **TELEWORKER.**—The term ‘teleworker’ means a worker who works
14 remotely but who reports to the location listed for a firm in a petition filed under
15 section 221.”.

16 **SEC. 133103. APPLICATION OF DETERMINATIONS OF**
17 **ELIGIBILITY TO WORKERS EMPLOYED BY**
18 **SUCCESSORS-IN-INTEREST.**

19 Section 223 of the Trade Act of 1974 (19 U.S.C. 2273) is amended by adding at the end
20 the following:

21 “(f) **Treatment of Workers of Successors-in-Interest.**—If the Secretary certifies a group
22 of workers of a firm as eligible to apply for adjustment assistance under this chapter, a
23 worker of a successor-in-interest to that firm shall be covered by the certification to the
24 same extent as a worker of that firm.”.

25 **SEC. 133104. PROVISION OF BENEFIT INFORMATION**
26 **TO WORKERS.**

27 Section 225 of the Trade Act of 1974 (19 U.S.C. 2275) is amended—

28 (1) in subsection (a), by inserting after the second sentence the following new
29 sentence: “The Secretary shall make every effort to provide such information and
30 assistance to workers in their native language.”; and

31 (2) in subsection (b)—

32 (A) by redesignating paragraph (2) as paragraph (3);

33 (B) by inserting after paragraph (1) the following:

34 “(2) The Secretary shall provide a second notice to a worker described in paragraph (1)
35 before the worker has exhausted all rights to any unemployment insurance to which the
36 worker is entitled (other than additional compensation described in section 231(a)(3)(B)
37 funded by a State and not reimbursed from Federal funds).”;

1 (C) in paragraph (3), as redesignated by paragraph (1), by striking
2 “newspapers of general circulation” and inserting “appropriate print or digital
3 outlets”; and

4 (D) by adding at the end the following:

5 “(4) For purposes of providing sustained outreach regarding the benefits available under
6 this chapter to workers covered by a certification made under this subchapter, the
7 Secretary may take any necessary actions, including the following:

8 “(A) Collecting the email addresses and telephone numbers of such workers from
9 the employers of such workers to provide sustained outreach to such workers.

10 “(B) Partnering with the certified or recognized union, a community-based worker
11 organization, or other duly authorized representatives of such workers.

12 “(C) Hiring peer support workers to perform sustained outreach to other workers
13 covered by that certification.

14 “(D) Using advertising methods and public information campaigns, including social
15 media, in addition to notice published in print or digital outlets under paragraph (3).”.

16 **SEC. 133105. QUALIFYING REQUIREMENTS FOR** 17 **WORKERS.**

18 (a) In General.—Section 231(a) of the Trade Act of 1974 (19 U.S.C. 2291(a)) is
19 amended—

20 (1) by striking paragraph (2);

21 (2) by redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4),
22 respectively; and

23 (3) in paragraph (4) (as redesignated), by striking “paragraphs (1) and (2)” each
24 place it appears and inserting “paragraph (1)”.

25 (b) Conforming Amendments.—(1) Section 232 of the Trade Act of 1974 (19 U.S.C. 2292)
26 is amended by striking “section 231(a)(3)(B)” each place it appears and inserting “section
27 231(a)(2)(B)”.

28 (2) Section 233(a) of the Trade Act of 1974 (19 U.S.C. 2293(a)) is amended—

29 (A) in paragraph (1), by striking “section 231(a)(3)(A)” and inserting “section
30 231(a)(2)(A)”; and

31 (B) in paragraph (2)—

32 (i) by striking “adversely affected employment” and all that follows through
33 “(A) within” and inserting “adversely affected employment within”;

34 (ii) by striking “, and” and inserting a period; and

35 (iii) by striking subparagraph (B).

36 **SEC. 133106. MODIFICATION TO TRADE**

1 READJUSTMENT ALLOWANCES.

2 Section 233 of the Trade Act of 1974 (19 U.S.C. 2293) is amended—

3 (1) in subsection (a)—

4 (A) in paragraph (2), by inserting after “104-week period” the following: “(or,
5 in the case of an adversely affected worker who requires a program of
6 prerequisite education or remedial education (as described in section
7 236(a)(5)(D)) in order to complete training approved for the worker under section
8 236, the 130-week period)”;

9 (B) in paragraph (3), by striking “65 additional weeks in the 78-week period”
10 and inserting “78 additional weeks in the 91-week period”; and

11 (C) in the flush text, by striking “78-week period” and inserting “91-week
12 period”;

13 (2) by striking subsection (d); and

14 (3) by amending subsection (f) to read as follows:

15 “(f) Payment of Trade Readjustment Allowances to Complete
16 Training.—Notwithstanding any other provision of this section, in order to assist an
17 adversely affected worker to complete training approved for the worker under section 236
18 that includes a program of prerequisite education or remedial education (as described in
19 section 236(a)(5)(D)), and in accordance with regulations prescribed by the Secretary,
20 payments may be made as trade readjustment allowances for up to 26 additional weeks in
21 the 26-week period that follows the last week of entitlement to trade readjustment
22 allowances otherwise payable under this chapter.”.

23 SEC. 133107. AUTOMATIC EXTENSION OF TRADE 24 READJUSTMENT ALLOWANCES.

25 (a) In General.—Part I of subchapter B of chapter 2 of title II of the Trade Act of 1974
26 (19 U.S.C. 2291-2294) is amended by inserting after section 233 the following new section:

27 “SEC. 233A. AUTOMATIC EXTENSION OF TRADE 28 READJUSTMENT ALLOWANCES.

29 “(a) In General.—Notwithstanding the limitations under section 233(a), the Secretary
30 shall extend the period during which trade readjustment allowances are payable to an
31 adversely affected worker who completes training approved under section 236 by the
32 Secretary during a period of heightened unemployment with respect to the State in which
33 such worker seeks benefits, for the shorter of—

34 “(1) the 26-week period beginning on the date of completion of such training; or

35 “(2) the period ending on the date on which the adversely affected worker secures
36 employment.

37 “(b) Job Search Required.—A worker shall only be eligible for an extension under

1 subsection (a) if the worker is complying with the job search requirements associated with
2 unemployment insurance in the applicable State.

3 “(c) Period of Heightened Unemployment Defined.—In this section, the term ‘period of
4 heightened unemployment’ with respect to a State means a 90-day period during which, in
5 the determination of the Secretary, either of the following average rates equals or exceeds
6 5.5 percent:

7 “(1) The average rate of total unemployment in such State (seasonally adjusted) for
8 the period consisting of the most recent 3-month period for which data for all States
9 are published before the close of such period.

10 “(2) The average rate of total unemployment in all States (seasonally adjusted) for
11 the period consisting of the most recent 3-month period for which data for all States
12 are published before the close of such period.”.

13 (b) Clerical Amendment.—The table of contents for the Trade Act of 1974 is amended by
14 inserting after the item relating to section 233 the following:

15 “Sec.233A. Automatic extension of trade readjustment allowances.”.

16 **SEC. 133108. EMPLOYMENT AND CASE** 17 **MANAGEMENT SERVICES.**

18 Section 235 of the Trade Act of 1974 (19 U.S.C. 2295) is amended—

19 (1) in paragraph (3)—

20 (A) by inserting after “regional areas” the following: “(including information
21 about registered apprenticeship programs, on-the-job training opportunities, and
22 other work-based learning opportunities)”;

23 (B) by inserting after “suitable training” the following: “, information
24 regarding the track record of a training provider’s ability to successfully place
25 participants into suitable employment”;

26 (2) by redesignating paragraph (8) as paragraph (10); and

27 (3) by inserting after paragraph (7) the following:

28 “(8) Information related to direct job placement, including facilitating the extent to
29 which employers within the community commit to employing workers who would
30 benefit from the employment and case management services under this section.

31 “(9) Sustained outreach to groups of workers likely to be certified as eligible for
32 adjustment assistance under this chapter and members of certified worker groups who
33 have not yet applied for or been enrolled in benefits or services under this chapter,
34 especially such groups and members from underserved communities.”.

35 **SEC. 133109. TRAINING.**

36 Section 236 of the Trade Act of 1974 (19 U.S.C. 2296(a)) is amended—

37 (1) in subsection (a)—

1 (A) in paragraph (1)(D), by inserting “, with a demonstrated ability to place
2 participants into employment” before the comma at the end;

3 (B) in paragraph (3), by adding at the end before the period the following: “,
4 except that every effort shall be made to ensure that employment opportunities
5 are available upon the completion of training”; and

6 (C) in paragraph (5)—

7 (i) in subparagraph (G), by striking “, and” and inserting a comma;

8 (ii) in subparagraph (H)(ii), by striking the period at the end and inserting
9 “, and”; and

10 (iii) by adding at the end before the flush text the following:

11 “(I) pre-apprenticeship training.”; and

12 (2) by adding at the end the following:

13 “(h) Reimbursement for Out-of-pocket Training Expenses.—If the Secretary approves
14 training for a worker under paragraph (1) of subsection (a), the Secretary may reimburse
15 the worker for out-of-pocket expenses relating to training program described in paragraph
16 (5) of that subsection that were incurred by the worker on and after the date of the
17 worker’s total or partial separation and before the date on which the certification of
18 eligibility under section 222 that covers the worker is issued.”.

19 **SEC. 133110. JOB SEARCH, RELOCATION, AND CHILD** 20 **CARE ALLOWANCES.**

21 (a) Job Search Allowances.—Section 237 of the Trade Act of 1974 (19 U.S.C. 2297) is
22 amended—

23 (1) in subsection (a)(1), by striking “may use funds made available to the State to
24 carry out sections 235 through 238” and inserting “shall use, from funds made
25 available to the State to carry out sections 235 through 238A, such amounts as may be
26 necessary”;

27 (2) in subsection (a)(2), in the matter preceding subparagraph (A), by striking “may
28 grant” and inserting “shall grant”; and

29 (3) in subsection (b)—

30 (A) in paragraph (1), by striking “not more than 90 percent” and inserting
31 “100 percent”;

32 (B) in paragraph (2), by striking “\$1,250” and inserting “\$2,000 (subject to
33 adjustment under paragraph (4))”; and

34 (C) by adding at the end the following;

35 “(4) ADJUSTMENT OF MAXIMUM ALLOWANCE LIMITATION FOR INFLATION.—

36 “(A) IN GENERAL.—The Secretary of Labor shall adjust the maximum
37 allowance limitation under paragraph (2) on the date that is 30 days after the date
38 of the enactment of this paragraph, and at the beginning of each fiscal year

1 thereafter, to reflect the percentage (if any) of the increase in the average of the
2 Consumer Price Index for the preceding 12-month period compared to the
3 Consumer Price Index for fiscal year 2020.

4 “(B) SPECIAL RULES FOR CALCULATION OF ADJUSTMENT.—In making an
5 adjustment under subparagraph (A), the Secretary—

6 “(i) shall round the amount of any increase in the Consumer Price Index to
7 the nearest dollar; and

8 “(ii) may ignore any such increase of less than 1 percent.

9 “(C) CONSUMER PRICE INDEX DEFINED.—For purposes of this paragraph, the
10 term ‘Consumer Price Index’ means the Consumer Price Index for All Urban
11 Consumers published by the Bureau of Labor Statistics of the Department of
12 Labor.”.

13 (b) Relocation Allowances.—Section 238 of the Trade Act of 1974 (19 U.S.C. 2298) is
14 amended—

15 (1) in subsection (a)(1), by striking “may use funds made available to the State to
16 carry out sections 235 through 238” and inserting “shall use, from funds made
17 available to the State to carry out sections 235 through 238A, such amounts as may be
18 necessary”;

19 (2) in subsection (a)(2), in the matter preceding subparagraph (A), by striking “may
20 be granted” and inserting “shall be granted”;

21 (3) in subsection (b)—

22 (A) in paragraph (1), by striking “not more than 90 percent” and inserting
23 “100 percent”; and

24 (B) in paragraph (2), by striking “\$1,250” and inserting “\$2,000 (subject to
25 adjustment under subsection (d))”; and

26 (4) by adding at the end the following:

27 “(d) Adjustment of Maximum Payment Limitation for Inflation.—

28 “(1) IN GENERAL.—The Secretary of Labor shall adjust the maximum payment
29 limitation under subsection (b)(2) on the date that is 30 days after the date of the
30 enactment of this subsection, and at the beginning of each fiscal year thereafter, to
31 reflect the percentage (if any) of the increase in the average of the Consumer Price
32 Index for the preceding 12-month period compared to the Consumer Price Index for
33 fiscal year 2020.

34 “(2) SPECIAL RULES FOR CALCULATION OF ADJUSTMENT.—In making an adjustment
35 under paragraph (1), the Secretary—

36 “(A) shall round the amount of any increase in the Consumer Price Index to the
37 nearest dollar; and

38 “(B) may ignore any such increase of less than 1 percent.

39 “(3) CONSUMER PRICE INDEX DEFINED.—For purposes of this subsection, the term

1 ‘Consumer Price Index’ means the Consumer Price Index for All Urban Consumers
2 published by the Bureau of Labor Statistics of the Department of Labor.”.

3 (c) Child Care Allowances.—

4 (1) IN GENERAL.—Part II of subchapter B of chapter 2 of title II of the Trade Act of
5 1974 (19 U.S.C. 2295-2298) is amended by adding at the end the following:

6 **“SEC. 238A. CHILD CARE ALLOWANCES.**

7 **“(a) Child Care Allowances Authorized.—**

8 **“(1) IN GENERAL.—**Each State shall use, from funds made available to the State to
9 carry out sections 235 through 238A, such amounts as may be necessary to allow an
10 adversely affected worker covered by a certification issued under subchapter A of this
11 chapter to file an application for a child care allowance with the Secretary, and the
12 Secretary may grant the child care allowance, subject to the terms and conditions of
13 this section.

14 **“(2) CONDITIONS FOR GRANTING ALLOWANCE.—**A child care allowance shall be
15 granted if the allowance will assist an adversely affected worker to attend training or
16 seek suitable employment, by providing for the care of one or more of the minor
17 dependents of the worker.

18 **“(b) Amount of Allowance.—**Any child care allowance granted to a worker under
19 subsection (a) shall not exceed \$2,000 per minor dependent per year.

20 **“(c) Adjustment of Maximum Allowance Limitation for Inflation.—**

21 **“(1) IN GENERAL.—**The Secretary of Labor shall adjust the maximum allowance
22 limitation under subsection (b) on the date that is 30 days after the date of the
23 enactment of this subsection, and at the beginning of each fiscal year thereafter, to
24 reflect the percentage (if any) of the increase in the average of the Consumer Price
25 Index for the preceding 12-month period compared to the Consumer Price Index for
26 fiscal year 2020.

27 **“(2) SPECIAL RULES FOR CALCULATION OF ADJUSTMENT.—**In making an adjustment
28 under paragraph (1), the Secretary—

29 **“(A) shall round the amount of any increase in the Consumer Price Index to the**
30 **nearest dollar; and**

31 **“(B) may ignore any such increase of less than 1 percent.**

32 **“(3) CONSUMER PRICE INDEX DEFINED.—**For purposes of this subsection, the term
33 ‘Consumer Price Index’ means the Consumer Price Index for All Urban Consumers
34 published by the Bureau of Labor Statistics of the Department of Labor.”.

35 **(2) CONFORMING AMENDMENTS.—**

36 **(A) LIMITATIONS ON ADMINISTRATIVE EXPENSES AND EMPLOYMENT AND CASE**
37 **MANAGEMENT SERVICES.—**Section 235A of the Trade Act of 1974 (19 U.S.C.

38 2295a) is amended in the matter preceding paragraph (1) by striking “through

39 238” and inserting “through 238A”.

1 **(B) TRAINING.**—Section 236(a)(2) of the Trade Act of 1974 (19 U.S.C.
2 **2296(a)(2)) is amended—**

3 **(i) in subparagraph (A), by striking “and 238” and inserting “238, and**
4 **238A”;**

5 **(ii) in subparagraph (B), by striking “and 238” each place it appears and**
6 **inserting “238, and 238A”;**

7 **(iii) in subparagraph (C)(i), by striking “and 238” and inserting “238, and**
8 **238A”;**

9 **(iv) in subparagraph (C)(v), by striking “and 238” and inserting “238, and**
10 **238A”;** and

11 **(v) in subparagraph (E), by striking “and 238” each place it appears and**
12 **inserting “238, and 238A”.**

13 **(3) CLERICAL AMENDMENT.**—The table of contents for the Trade Act of 1974 is
14 **amended by adding after the item relating to section 238 the following new item:**

15 **“Sec.238A.Child care allowances.”.**

16 **SEC. 133111. AGREEMENTS WITH STATES.**

17 **(a) Coordination.**—Section 239(f) of the Trade Act of 1974 (19 U.S.C. 2311(f)) is
18 **amended—**

19 **(1) by striking “(f) Any agreement” and inserting the following:**

20 **“(f)(1) Any agreement”;** and

21 **(2) by adding at the end the following:**

22 **“(2) In arranging for training programs to be carried out under this chapter, each**
23 **cooperating State agency shall, among other factors, take into account and measure**
24 **the progress of the extent to which such programs—**

25 **“(A) achieve a satisfactory rate of completion and placement in jobs that**
26 **provide a living wage and that increase economic security;**

27 **“(B) assist workers in developing the skills, networks, and experiences**
28 **necessary to advance along a career path;**

29 **“(C) assist workers from underserved communities to establish a work history,**
30 **demonstrate success in the workplace, and develop the skills that lead to entry**
31 **into and retention in unsubsidized employment; and**

32 **“(D) adequately serve individuals who face the greatest barriers to**
33 **employment, including people with low incomes, people of color, immigrants,**
34 **persons with disabilities, and formerly incarcerated individuals.**

35 **“(3) Each cooperating State agency shall facilitate joint cooperation between**
36 **training programs, representatives of workers, employers, and communities, especially**
37 **in underserved rural and urban regions, to ensure a fair and engaging workplace that**
38 **balances the priorities and well-being of workers with the needs of businesses.**

1 “(4) Each cooperating State agency shall seek, including through agreements and
2 training programs described in this subsection, to ensure the reemployment of
3 adversely affected workers upon completion of training as described in section 236.”.

4 **(b) Administration.**—Section 239(g) of the Trade Act of 1974 (19 U.S.C. 2311(g)) is
5 amended—

6 (1) by redesignating—

7 (A) paragraphs (1) through (4) as paragraphs (3) through (6), respectively; and

8 (B) paragraph (5) as paragraph (8);

9 (2) by inserting before paragraph (3) (as redesignated) the following:

10 “(1) review each layoff of more than 5 workers in a firm to determine whether trade
11 played a role in the layoff and whether workers in such firm are potentially eligible to
12 receive benefits under this chapter,

13 “(2) perform sustained outreach to firms to facilitate and assist with filing petitions
14 under section 221 and collecting necessary supporting information.”;

15 (3) in paragraph (3) (as redesignated), by striking “who applies for unemployment
16 insurance of” and inserting “identified under paragraph (1) of unemployment
17 insurance benefits and”;

18 (4) in paragraph (4) (as redesignated), by inserting “and assist with” after
19 “facilitate”;

20 (5) in paragraph (6) (as redesignated), by striking “and” at the end;

21 (6) by inserting after paragraph (6) (as redesignated) the following:

22 “(7) perform sustained outreach to workers from underserved communities and to
23 firms that employ a majority or a substantial percentage of workers from underserved
24 communities and develop a plan, in consultation with the Secretary, for addressing
25 common barriers to receiving services that such workers have faced.”;

26 (7) in paragraph (8) (as redesignated), by striking “funds provided to carry out this
27 chapter are insufficient to make such services available, make arrangements to make
28 such services available through other Federal programs” and inserting “support
29 services are needed beyond what this chapter can provide, make arrangements to
30 coordinate such services available through other Federal programs” ; and

31 (8) by adding at the end the following:

32 “(9) develop a strategy to engage with local workforce development institutions,
33 including local community colleges and other educational institutions, and

34 “(10) develop a comprehensive strategy to provide agency staffing to support the
35 requirements of paragraphs (1) through (9).”.

36 **(c) Staffing.**—Section 239 of the Trade Act of 1974 (19 U.S.C. 2311) is amended by
37 striking subsection (k) and inserting the following:

38 “(k) Staffing.—An agreement entered into under this section shall provide that the
39 cooperating State or cooperating State agency shall require that any individual engaged in

1 functions (other than functions that are not inherently governmental) to carry out the trade
2 adjustment assistance program under this chapter shall be a State employee covered by a
3 merit system of personnel administration.”.

4 **SEC. 133112. REEMPLOYMENT TRADE ADJUSTMENT** 5 **ASSISTANCE PROGRAM.**

6 Section 246(a) of the Trade Act of 1974 (19 U.S.C. 2318(a)) is amended—

7 (1) in paragraph (3)(B)(ii), by striking “\$50,000” and inserting “\$70,000 (subject to
8 adjustment under paragraph (8))”;

9 (2) in paragraph (5)(B)(i), by striking “\$10,000” and inserting “\$20,000 (subject to
10 adjustment under paragraph (8))”; and

11 (3) by adding at the end the following:

12 “(8) ADJUSTMENT OF SALARY LIMITATION AND TOTAL AMOUNT OF PAYMENTS FOR
13 INFLATION.—

14 “(A) IN GENERAL.—The Secretary of Labor shall adjust the salary limitation
15 under paragraph (3)(B)(ii) and the amount under paragraph (5)(B)(i) on the date
16 that is 30 days after the date of the enactment of this paragraph, and at the
17 beginning of each fiscal year thereafter, to reflect the percentage (if any) of the
18 increase in the average of the Consumer Price Index for the preceding 12-month
19 period compared to the Consumer Price Index for fiscal year 2020.

20 “(B) SPECIAL RULES FOR CALCULATION OF ADJUSTMENT.—In making an
21 adjustment under subparagraph (A), the Secretary—

22 “(i) shall round the amount of any increase in the Consumer Price Index to
23 the nearest dollar; and

24 “(ii) may ignore any such increase of less than 1 percent.

25 “(C) CONSUMER PRICE INDEX DEFINED.—For purposes of this paragraph, the
26 term ‘Consumer Price Index’ means the Consumer Price Index for All Urban
27 Consumers published by the Bureau of Labor Statistics of the Department of
28 Labor.”.

29 **SEC. 133113. EXTENSION OF TRADE ADJUSTMENT** 30 **ASSISTANCE TO PUBLIC AGENCY WORKERS.**

31 (a) Definitions.—Section 247 of the Trade Act of 1974 (19 U.S.C. 2319) is amended—

32 (1) in paragraph (3)—

33 (A) in the matter preceding subparagraph (A), by striking “The” and inserting
34 “Subject to section 222(d)(5), the”; and

35 (B) in subparagraph (A), by striking “or service sector firm” and inserting “,
36 service sector firm, or public agency”; and

37 (2) by adding at the end the following:

1 “(20) The term ‘public agency’ means a department or agency of a State or local
2 government or of the Federal Government.”.

3 **(b) Group Eligibility Requirements.**—Section 222 of the Trade Act of 1974 (19 U.S.C.
4 2272), as amended by subsections (b) and (c) of section 133102, is further amended—

5 (1) by redesignating subsections (c), (d), (e), and (f) as subsections (d), (e), (f), and
6 (g), respectively;

7 (2) by inserting after subsection (b) the following:

8 **“(c) Adversely Affected Workers in Public Agencies.**—A group of workers in a public
9 agency shall be certified by the Secretary as eligible to apply for adjustment assistance
10 under this chapter pursuant to a petition filed under section 221 if the Secretary
11 determines that—

12 “(1) a significant number or proportion of the workers in the public agency have
13 become totally or partially separated, or are threatened to become totally or partially
14 separated;

15 “(2) the public agency has acquired from a foreign country services like or directly
16 competitive with services which are supplied by such agency; and

17 “(3) the acquisition of services described in paragraph (2) contributed to such
18 workers’ separation or threat of separation.”;

19 (3) in subsection (d) (as redesignated), by adding at the end the following:

20 **“(5) REFERENCE TO FIRM.**—For purposes of subsections (a) and (b), the term ‘firm’
21 does not include a public agency.”; and

22 (4) in paragraph (2) of subsection (e) (as redesignated), by striking “subsection (a)
23 or (b)” and inserting “subsection (a), (b), or (c)”.

24 **SEC. 133114. DEFINITIONS.**

25 **(a) Extension of Adjustment Assistance for Workers to Territories.**—Section 247(7) of
26 the Trade Act of 1974 (19 U.S.C. 2319(7)) is amended—

27 (1) by inserting “, Guam, the Virgin Islands of the United States, American Samoa,
28 the Commonwealth of the Northern Mariana Islands,” after “District of Columbia”;
29 and

30 (2) by striking “such Commonwealth.” and inserting “such territories.”.

31 **(b) Underserved Community.**—Section 247 of the Trade Act of 1974 (19 U.S.C. 2319), as
32 amended by section 133113(a), is further amended by adding at the end the following:

33 “(21) The term ‘underserved community’ means a community with populations
34 sharing a particular characteristic that have been systematically denied a full
35 opportunity to participate in aspects of economic, social, or civic life, such as Black,
36 Latino, and Indigenous and Native American persons, Asian Americans and Pacific
37 Islanders, other persons of color, members of other minority communities, persons
38 with disabilities, persons who live in rural areas, and other populations otherwise
39 adversely affected by persistent poverty or inequality.”.

1 **SEC. 133115. REQUIREMENTS FOR CERTAIN**
2 **TERRITORIES.**

3 Section 248 of the Trade Act of 1974 (19 U.S.C. 2320) is amended by adding at the end
4 the following:

5 “(c) Requirements for Certain Territories.—The Secretary shall establish such
6 requirements as may be necessary and appropriate to modify the requirements of this
7 chapter, including requirements relating to eligibility for trade readjustment allowances, to
8 address the particular circumstances of Guam, American Samoa, and the Commonwealth
9 of the Northern Mariana Islands in implementing and carrying out this chapter.”.

10 **SEC. 133116. SUBPOENA POWER.**

11 Section 249 of the Trade Act of 1974 (19 U.S.C. 2321) is amended—

12 (1) in subsection (a), by adding at the end the following: “The authority under the
13 preceding sentence includes the authority of States to require, by subpoena, a firm to
14 provide information on workers employed by, or totally or partially separated from,
15 the firm that is necessary to make a determination under this chapter or to provide
16 outreach to workers, including the names and address of workers.”; and

17 (2) by adding at the end the following:

18 “(c) Enforcement of Subpoenas by States.—A State may enforce compliance with a
19 subpoena issued under subsection (a)—

20 “(1) as provided for under State law; and

21 “(2) by petitioning an appropriate United States district court for an order
22 requiring compliance with the subpoena.”.

23 **PART 2—TRADE ADJUSTMENT ASSISTANCE FOR**
24 **FIRMS**

25 **SEC. 133201. PETITIONS AND DETERMINATIONS.**

26 Section 251 of the Trade Act of 1974 (19 U.S.C. 2341) is amended—

27 (1) in the second sentence of subsection (a), by striking “Upon” and inserting “Not
28 later than 15 days after”;

29 (2) by amending subsection (c) to read as follows:

30 “(c)(1) The Secretary shall certify a firm (including any agricultural firm or service
31 sector firm) as eligible to apply for adjustment assistance under this chapter if the
32 Secretary determines—

33 “(A)(i) that a significant number or proportion of the workers in such firm have
34 become totally or partially separated, or are threatened to become totally or partially
35 separated, or

36 “(ii) that—

1 **“(I) sales or production, or both, of the firm have decreased absolutely or failed**
2 **to increase,**

3 **“(II) sales or production, or both, of an article or service that accounted for not**
4 **less than 25 percent of the total sales or production of the firm during the**
5 **12-month period preceding the most recent 12-month period for which data are**
6 **available have decreased absolutely or failed to increase,**

7 **“(III) sales or production, or both, of the firm during the most recent 12-month**
8 **period for which data are available have decreased or failed to increase compared**
9 **to—**

10 **“(aa) the average annual sales or production for the firm during the**
11 **24-month period preceding that 12-month period, or**

12 **“(bb) the average annual sales or production for the firm during the**
13 **36-month period preceding that 12-month period, or**

14 **“(IV) sales or production, or both, of an article or service that accounted for**
15 **not less than 25 percent of the total sales or production of the firm during the**
16 **most recent 12-month period for which data are available have decreased or**
17 **failed to increase compared to—**

18 **“(aa) the average annual sales or production for the article or service**
19 **during the 24-month period preceding that 12-month period, or**

20 **“(bb) the average annual sales or production for the article or service**
21 **during the 36-month period preceding that 12-month period, and**

22 **“(B)(i) increases of imports of articles or services like or directly competitive with**
23 **articles which are produced or services which are supplied by such firm contributed to**
24 **such total or partial separation, or threat thereof, or to such decline or failure to**
25 **increase in sales or production, or**

26 **“(ii) decreases in exports of articles produced or services supplied by such firm, or**
27 **imports of articles or services necessary for the production of articles or services**
28 **supplied by such firm, contributed to such total or partial separation, or threat**
29 **thereof, or to such decline in sales or production.**

30 **“(2) For purposes of paragraph (1)(B):**

31 **“(A) Any firm which engages in exploration or drilling for oil or natural gas shall be**
32 **considered to be a firm producing oil or natural gas.**

33 **“(B) Any firm that engages in exploration or drilling for oil or natural gas, or**
34 **otherwise produces oil or natural gas, shall be considered to be producing articles**
35 **directly competitive with imports of oil and with imports of natural gas.”; and**

36 **(3) in subsection (d)—**

37 **(A) by striking “this section,” and inserting “this section.”; and**

38 **(B) by striking “but in any event” and all that follows and inserting the**
39 **following: “If the Secretary does not make a determination with respect to a**
40 **petition within 55 days after the date on which an investigation is initiated under**

1 subsection (a) with respect to the petition, the Secretary shall be deemed to have
2 certified the firm as eligible to apply for adjustment assistance under this
3 chapter.”.

4 **SEC. 133202. APPROVAL OF ADJUSTMENT** 5 **PROPOSALS.**

6 Section 252 of the Trade Act of 1974 (19 U.S.C. 2342) is amended—

7 (1) in the second sentence of subsection (a), by adding at the end before the period
8 the following: “and an assessment of the potential employment outcomes of such
9 proposal”;

10 (2) in subsection (b)(1)(B), by striking “gives adequate consideration to” and
11 inserting “is in”;

12 (3) by redesignating subsection (c) as subsection (d); and

13 (4) by inserting after subsection (b) the following:

14 “(c) Amount of Assistance.—

15 “(1) IN GENERAL.—A firm may receive adjustment assistance under this chapter
16 with respect to the firm’s economic adjustment proposal in an amount not to exceed
17 \$300,000, subject to adjustment under paragraph (2) and the matching requirement
18 under paragraph (3).

19 “(2) ADJUSTMENT OF ASSISTANCE LIMITATION FOR INFLATION.—

20 “(A) IN GENERAL.—The Secretary of Commerce shall adjust the technical
21 assistance limitation under paragraph (1) on the date that is 30 days after the date
22 of the enactment of this paragraph, and at the beginning of each fiscal year
23 thereafter, to reflect the percentage (if any) of the increase in the average of the
24 Consumer Price Index for the preceding 12-month period compared to the
25 Consumer Price Index for fiscal year 2020.

26 “(B) SPECIAL RULES FOR CALCULATION OF ADJUSTMENT.—In making an
27 adjustment under subparagraph (A), the Secretary—

28 “(i) shall round the amount of any increase in the Consumer Price Index to
29 the nearest dollar; and

30 “(ii) may ignore any such increase of less than 1 percent.

31 “(C) CONSUMER PRICE INDEX DEFINED.—For purposes of this paragraph, the
32 term ‘Consumer Price Index’ means the Consumer Price Index for All Urban
33 Consumers published by the Bureau of Labor Statistics of the Department of
34 Labor.

35 “(3) MATCHING REQUIREMENT.—A firm may receive adjustment assistance under
36 this chapter only if the firm provides matching funds in an amount equal to the
37 amount of adjustment assistance received under paragraph (1).”.

38 **SEC. 133203. TECHNICAL ASSISTANCE.**

1 Section 253(a)(3) of the Trade Act of 1974 (19 U.S.C. 2343(a)(3)) is amended by adding at
2 the end before the period the following: “, including assistance to provide skills training
3 programs to employees of the firm”.

4 **SEC. 133204. DEFINITIONS.**

5 Section 259 of the Trade Act of 1974 (19 U.S.C. 2351) is amended by adding at the end
6 the following:

7 “(3) **UNDERSERVED COMMUNITY.**—The term ‘underserved community’ has the
8 meaning given that term in section 247.”.

9 **SEC. 133205. PLAN FOR SUSTAINED OUTREACH TO** 10 **POTENTIALLY-ELIGIBLE FIRMS.**

11 (a) **In General.**—Chapter 3 of title II of the Trade Act of 1974 (19 U.S.C. 2341-2355) is
12 amended by adding at the end the following:

13 **“SEC. 263. PLAN FOR SUSTAINED OUTREACH TO** 14 **POTENTIALLY-ELIGIBLE FIRMS.**

15 “(a) **In General.**—The Secretary shall develop a plan to provide sustained outreach to
16 firms that may be eligible for adjustment assistance under this chapter.

17 “(b) **Matters to Be Included.**—The plan required by paragraph (1) shall include the
18 following:

19 “(1) Outreach to the United States International Trade Commission and to such
20 firms in industries with increased imports identified in the Commission’s annual
21 report regarding the operation of the trade agreements program under section 163(c).

22 “(2) Outreach to such firms in the service sector.

23 “(3) Outreach to such firms that are small businesses.

24 “(4) Outreach to such firms that are minority- or women-owned firms.

25 “(5) Outreach to such firms that employ a majority or a substantial percentage of
26 workers from underserved communities.

27 “(c) **Updates.**—The Secretary shall update the plan required under this section on an
28 annual basis.

29 “(d) **Submission to Congress.**—The Secretary shall submit the plan and each update to
30 the plan required under this section to Congress.”.

31 (b) **Clerical Amendment.**—The table of contents for the Trade Act of 1974 is amended by
32 inserting after the item relating to section 262 the following new item:

33 “Sec.263.Plan for sustained outreach to potentially-eligible firms.”.

34 **PART 3—TRADE ADJUSTMENT ASSISTANCE FOR** 35 **COMMUNITIES AND COMMUNITY COLLEGES**

1 **SEC. 133301. TRADE ADJUSTMENT ASSISTANCE FOR**
2 **COMMUNITIES.**

3 (a) In General.—Chapter 4 of title II of the Trade Act of 1974 (19 U.S.C. 2371-2372) is
4 amended—

5 (1) by inserting after the chapter heading the following:

6 **“Subchapter B—Trade Adjustment Assistance for**
7 **Community Colleges and Career Training”;** and

8 (2) by redesignating sections 271 and 272 as sections 279 and 279A, respectively;
9 and

10 (3) by inserting before subchapter B (as designated by paragraph (1)) the following:

11 **“Subchapter A—Trade Adjustment Assistance for**
12 **Communities**

13 **“SEC. 271. DEFINITIONS.**

14 **“In this subchapter:**

15 **“(1) AGRICULTURAL COMMODITY PRODUCER.—The term ‘agricultural commodity**
16 **producer’ has the meaning given that term in section 291.**

17 **“(2) COMMUNITY.—The term ‘community’ means—**

18 **“(A) a city or other political subdivision of a State, including a special purpose**
19 **unit of a State or local government engaged in economic or infrastructure**
20 **development activities, or a consortium of political subdivisions;**

21 **“(B) an Economic Development District designated by the Economic**
22 **Development Administration of the Department of Commerce; or**

23 **“(C) an Indian Tribe.**

24 **“(3) ELIGIBLE COMMUNITY.—The term ‘eligible community’ means a community**
25 **that is impacted by trade under section 273(a)(2) and is determined to be eligible for**
26 **assistance under this subchapter.**

27 **“(4) ELIGIBLE ENTITY.—The term ‘eligible entity’ means—**

28 **“(A) an eligible community;**

29 **“(B) an institution of higher education or a consortium of institutions of higher**
30 **education; or**

31 **“(C) a public or private nonprofit organization or association acting in**
32 **cooperation with officials of a political subdivision of a State.**

33 **“(5) SECRETARY.—The term ‘Secretary’ means the Secretary of Commerce.**

34 **“(6) UNDERSERVED COMMUNITY.—The term ‘underserved community’ has the**

1 meaning given that term in section 247.

2 **“SEC. 272. ESTABLISHMENT OF TRADE**
3 **ADJUSTMENT ASSISTANCE FOR COMMUNITIES**
4 **PROGRAM.**

5 “The Secretary, acting through the Assistant Secretary for Economic Development,
6 shall, not later than 180 days after the date of enactment of this subchapter, establish a
7 program to provide communities impacted by trade with assistance in accordance with the
8 requirements of this subchapter.

9 **“SEC. 273. ELIGIBILITY; NOTIFICATION OF**
10 **ELIGIBILITY.**

11 **“(a) Eligibility.—**

12 **“(1) IN GENERAL.—**A community shall be eligible for assistance under this
13 subchapter if the community is a community impacted by trade under paragraph (2).

14 **“(2) COMMUNITY IMPACTED BY TRADE.—**A community is impacted by trade if it
15 meets each of the following requirements:

16 **“(A) One or more of the following certifications are made with respect to the**
17 **community:**

18 **“(i) By the Secretary of Labor, that a group of workers located in the**
19 **community is eligible to apply for assistance under section 223.**

20 **“(ii) By the Secretary of Commerce, that a firm located in the community**
21 **is eligible to apply for adjustment assistance under section 251.**

22 **“(iii) By the Secretary of Agriculture, that a group of agricultural**
23 **commodity producers located in the community is eligible to apply for**
24 **adjustment assistance under section 293.**

25 **“(B) The community—**

26 **“(i) applies for assistance not later than 180 days after the date on which**
27 **the most recent certification described in subparagraph (A) is made; or**

28 **“(ii) in the case of a community with respect to which one or more such**
29 **certifications were made on or after January 1, 1994, and before the date of**
30 **the enactment of this subchapter, applies for assistance not later than**
31 **September 30, 2024.**

32 **“(C) The community—**

33 **“(i) has a per capita income of 80 percent or less of the national average;**

34 **“(ii) has a history of economic distress and long-term unemployment, as**
35 **determined by the Secretary; or**

36 **“(iii) is significantly affected by a loss of, or threat to, the jobs associated**
37 **with any certification described in subparagraph (A), or the community is**

1 undergoing transition of its economic base as a result of changing trade
2 patterns, as determined by the Secretary.

3 “(b) Notification of Eligibility.—If one or more certifications described in subsection
4 (a)(2)(A) are made with respect to a community, the applicable Secretary with respect to
5 such certification shall concurrently notify the Governor of the State in which the
6 community is located of the ability of the community to apply for assistance under this
7 section.

8 **“SEC. 274. GRANTS TO ELIGIBLE COMMUNITIES.**

9 “(a) In General.—The Secretary may—

10 “(1) upon the application of an eligible community, award a grant under this section
11 to the community to assist in developing or updating a strategic plan that meets the
12 requirements of section 275; or

13 “(2) upon the application of an eligible entity, award an implementation grant under
14 this section to the entity to assist in implementing projects included in a strategic plan
15 that meets the requirements of section 275.

16 “(b) Special Provisions.—

17 “(1) REVOLVING LOAN FUND GRANTS.—

18 “(A) IN GENERAL.—The Secretary shall maintain the proper operation and
19 financial integrity of revolving loan funds established by eligible entities with
20 assistance under this section.

21 “(B) EFFICIENT ADMINISTRATION.—The Secretary may—

22 “(i) at the request of an eligible entity, amend and consolidate grant
23 agreements governing revolving loan funds to provide flexibility with respect
24 to lending areas and borrower criteria; and

25 “(ii) assign or transfer assets of a revolving loan fund to third party for the
26 purpose of liquidation, and the third party may retain assets of the fund to
27 defray costs related to liquidation.

28 “(C) TREATMENT OF ACTIONS.—An action taken by the Secretary under this
29 subsection with respect to a revolving loan fund shall not constitute a new
30 obligation if all grant funds associated with the original grant award have been
31 disbursed to the recipient.

32 “(2) USE OF FUNDS IN PROJECTS CONSTRUCTED UNDER PROJECT COST.—

33 “(A) IN GENERAL.—In the case of a grant for a construction project under this
34 section, if the Secretary determines, before closeout of the project, that the cost of
35 the project, based on the designs and specifications that were the basis of the
36 grant, has decreased because of decreases in costs, the Secretary may approve the
37 use of the excess funds (or a portion of the excess funds) to improve the project.

38 “(B) OTHER USES OF EXCESS FUNDS.—Any amount of excess funds remaining
39 after application of subparagraph (A) may be used by the Secretary for providing

1 assistance under this section.

2 “(c) Coordination.—If an eligible institution (as such term is defined in section 279)
3 located in an eligible community is seeking a grant under section 279 at the same time the
4 community is seeking an implementation grant under subsection (a)—

5 “(1) the Secretary, upon receipt of such information from the Secretary of Labor as
6 required under section 279(e), shall notify the community that the institution is
7 seeking a grant under section 279; and

8 “(2) the community shall provide to the Secretary, in coordination with the
9 institution, a description of how the community will integrate projects included in the
10 strategic plan with the specific project for which the institution submits the grant
11 proposal under section 279.

12 “(d) Limitation.—The total amount of grants awarded with respect to an eligible
13 community under this section for fiscal years 2022 through 2025 may not exceed
14 \$25,000,000.

15 “(e) Priority.—The Secretary shall, in awarding grants under this section, provide higher
16 levels of funding with respect to eligible communities that have a history of economic
17 distress and long-term unemployment, as determined by the Secretary.

18 “(f) Geographic Diversity.—

19 “(1) IN GENERAL.—The Secretary shall, in awarding grants under this section,
20 ensure that grants are awarded with respect to eligible communities from
21 geographically diverse areas.

22 “(2) GEOGRAPHIC REGION REQUIREMENT.—The Secretary shall, in meeting the
23 requirement under paragraph (1), award a grant under this section for each of the
24 fiscal years 2022 through 2025 to at least one eligible community located in each
25 geographic region for which regional offices of the Economic Development
26 Administration of the Department of Commerce are responsible, to the extent that the
27 Secretary receives an application from at least one eligible community in each such
28 geographic region.

29 “(g) Technical Assistance.—The Secretary shall provide technical assistance for
30 communities—

31 “(1) to identify significant impediments to economic development that result from
32 the impact of trade on the community, including in the course of developing a strategic
33 plan under section 275; and

34 “(2) to access assistance under other available sources, including State, local, or
35 private sources, to implement projects that diversify and strengthen the economy in
36 the community.

37 “SEC. 275. STRATEGIC PLANS.

38 “(a) In General.—A strategic plan meets the requirements of this section if—

39 “(1) the consultation requirements of subsection (b) are met with respect to the
40 development of the plan;

1 “(2) the plan meets the requirements of subsection (c); and

2 “(3) the plan is approved in accordance with the requirements of subsection (d).

3 “(b) Consultation.—

4 “(1) IN GENERAL.—To the extent practicable, an eligible community shall consult
5 with the entities described in paragraph (2) in developing the strategic plan.

6 “(2) ENTITIES DESCRIBED.—The entities described in this paragraph are public and
7 private entities located in or serving the eligible community, including—

8 “(A) local, county, or State government agencies;

9 “(B) firms, including small- and medium-sized firms;

10 “(C) local workforce investment boards;

11 “(D) labor organizations, including State labor federations and
12 labor-management initiatives, representing workers in the community;

13 “(E) educational institutions, local educational agencies, and other training
14 providers; and

15 “(F) local civil rights organizations and community-based organizations,
16 including organizations representing underserved communities.

17 “(c) Contents.—The strategic plan may contain, as applicable to the community, the
18 following:

19 “(1) A description and analysis of the capacity of the eligible community to achieve
20 economic adjustment to the impact of trade.

21 “(2) An analysis of the economic development challenges and opportunities facing
22 the community, including the strengths and weaknesses of the economy of the
23 community.

24 “(3) An assessment of—

25 “(A) the commitment of the community to carry out the strategic plan on a
26 long-term basis;

27 “(B) the participation and input of members of the community who are
28 dislocated from employment due to the impact of trade; and

29 “(C) the extent to which underserved communities have been impacted by
30 trade.

31 “(4) A description of how underserved communities will benefit from the strategic
32 plan.

33 “(5) A description of the role of the entities described in subsection (b)(2) in
34 developing the strategic plan.

35 “(6) A description of projects under the strategic plan to facilitate the community’s
36 economic adjustment to the impact of trade, including projects to—

37 “(A) develop public facilities, public services, jobs, and businesses (including

1 **establishing a revolving loan fund);**

2 **“(B) provide for planning and technical assistance;**

3 **“(C) provide for training;**

4 **“(D) provide for the demolition of vacant or abandoned commercial, industrial,**
5 **or residential property;**

6 **“(E) redevelop brownfields;**

7 **“(F) establish or support land banks;**

8 **“(G) support energy conservation; and**

9 **“(H) support historic preservation.**

10 **“(7) A strategy for continuing the community’s economic adjustment to the impact**
11 **of trade after the completion of such projects.**

12 **“(8) A description of the educational and training programs and the potential**
13 **employment opportunities available to workers in the community, including for**
14 **workers under the age of 25, and the future employment needs of the community.**

15 **“(9) An assessment of—**

16 **“(A) the cost of implementing the strategic plan; and**

17 **“(B) the timing of funding required by the community to implement the**
18 **strategic plan.**

19 **“(10) A description of the methods of financing to be used to implement the strategic**
20 **plan, including—**

21 **“(A) an implementation grant received under section 274 or under other**
22 **authorities;**

23 **“(B) a loan, including the establishment of a revolving loan fund; or**

24 **“(C) other types of financing.**

25 **“(11) An assessment of how the community will address unemployment among**
26 **agricultural commodity producers, if applicable.**

27 **“(d) Approval; CEDS Equivalent.—**

28 **“(1) APPROVAL.—The Secretary shall approve the strategic plan developed by an**
29 **eligible community under this section if the Secretary determines that the strategic**
30 **plan meets the requirements of this section.**

31 **“(2) CEDS OR EQUIVALENT.—The Secretary may deem an eligible community’s**
32 **Comprehensive Economic Development Strategy that substantially meets the**
33 **requirements of this section to be an approved strategic plan for purposes of this**
34 **subchapter.**

35 **“(e) Allocation.—Of the funds appropriated to carry out this chapter for each of the**
36 **fiscal years 2022 through 2025, the Secretary may make available not more than**
37 **\$50,000,000 to award grants under section 274(a)(1).**

1 **“SEC. 276. GENERAL PROVISIONS.**

2 **“(a) Regulations.—**

3 **“(1) IN GENERAL.—The Secretary shall, subject to paragraph (3), promulgate such**
4 **regulations as may be necessary to carry out this subchapter, including with respect**
5 **to—**

6 **“(A) administering the awarding of grants under section 274, including**
7 **establishing guidelines for the submission and evaluation of grant applications**
8 **under such section; and**

9 **“(B) establishing guidelines for the evaluation of strategic plans developed to**
10 **meet the requirements of section 275.**

11 **“(2) CONSULTATIONS.—The Secretary shall consult with the Committee on Ways**
12 **and Means of the House of Representatives and the Committee on Finance of the**
13 **Senate not later than 90 days prior to promulgating any final rule or regulation under**
14 **this subsection.**

15 **“(3) RELATIONSHIP TO EXISTING REGULATIONS.—The Secretary, to the maximum**
16 **extent practicable, shall—**

17 **“(A) rely on and apply regulations promulgated to carry out other economic**
18 **development programs of the Department of Commerce in carrying out this**
19 **subchapter; and**

20 **“(B) provide guidance regarding the manner and extent to which such other**
21 **economic development programs relate to this subchapter.**

22 **“(b) Resources.—The Secretary shall allocate such resources as may be necessary to**
23 **provide sufficiently individualized assistance to each eligible community that receives a**
24 **grant under section 274(a) or seeks technical assistance under section 274(g) to develop and**
25 **implement a strategic plan that meets the requirements of section 275.”.**

26 **(b) Clerical Amendment.—The table of contents for the Trade Act of 1974 is amended by**
27 **striking the items relating to chapter 4 of title II and inserting the following:**

28 **“Chapter 4—Trade Adjustment Assistance for Communities**
29 **“subchapter a—trade adjustment assistance for**
30 **communities**

31 **“Sec.271.Definitions.**

32 **“Sec.272.Establishment of trade adjustment assistance for communities program.**

33 **“Sec.273.Eligibility; notification of eligibility.**

34 **“Sec.274.Grants to eligible communities.**

35 **“Sec.275.Strategic plans.**

36 **“Sec.276.General provisions.**

1 **“subchapter b—community college and career training**
2 **grant program**

3 **“Sec.279.Community College and Career Training Grant Program.**

4 **“Sec.279A.Authorization of appropriations.”.**

5 **SEC. 133302. TRADE ADJUSTMENT ASSISTANCE FOR**
6 **COMMUNITY COLLEGES AND CAREER TRAINING.**

7 Section 279 of the Trade Act of 1974, as redesignated by section 133301(a)(2), is amended
8 as follows:

9 (1) In subsection (a)—

10 (A) in paragraph (1), by striking “eligible institutions” and inserting “eligible
11 entities”; and

12 (B) in paragraph (2)—

13 (i) in the matter preceding subparagraph (A), by striking “eligible
14 institution” and inserting “eligible entity”; and

15 (ii) in subparagraph (B)—

16 (I) by striking “\$1,000,000” and inserting “\$2,500,000”;

17 (II) by striking “(B)” and inserting “(B)(i) in the case of an eligible
18 institution,”;

19 (III) by striking the period at the end and inserting “; or”; and

20 (IV) by adding at the end the following:

21 “(ii) in the case of a consortium of eligible institutions, a grant under this
22 section in excess of \$15,000,000.”.

23 (2) In subsection (b), by adding at the end the following:

24 “(3) ELIGIBLE ENTITY.—The term ‘eligible entity’ means an eligible institution or a
25 consortium of eligible institutions.

26 “(4) UNDERSERVED COMMUNITY.—The term ‘underserved community’ has the
27 meaning given that term in section 247.”.

28 (3) In subsection (c)—

29 (A) by striking “eligible institution” each place it appears and inserting
30 “eligible entity”; and

31 (B) in paragraph (5)(A)(i)—

32 (i) in subclause (I), by striking “and” at the end; and

33 (ii) by adding at the end the following:

34 “(III) any opportunities to support industry or sector partnerships to

1 develop or expand quality academic programs and curricula; and”.

2 (4) In subsection (d), by striking “eligible institution” each place it appears and
3 inserting “eligible entity”.

4 (5) By redesignating subsection (e) as subsection (h) and inserting after subsection
5 (d) the following:

6 “(e) Use of Funds.—

7 “(1) IN GENERAL.—An eligible entity shall use a grant awarded under this section to
8 establish and scale career training programs, including career and technical education
9 programs, and career pathways and supports for students participating in such
10 programs.

11 “(2) STUDENT SUPPORT AND EMERGENCY SERVICES.—Not less than 15 percent of the
12 amount of a grant awarded to an eligible entity under this section shall be used to
13 carry out student support services, which may include the following:

14 “(A) Supportive services, including childcare, transportation, mental health
15 services, substance use disorder prevention and treatment, assistance in obtaining
16 health insurance coverage, housing, and other benefits, as appropriate.

17 “(B) Connecting students to State or Federal means-tested benefits programs.

18 “(C) The provision of direct financial assistance to help students facing
19 financial hardships that may impact enrollment in or completion of a program
20 supported by such funds.

21 “(D) Navigation, coaching, mentorship, and case management services,
22 including providing information and outreach to the population described in
23 subparagraph (C) to take part in such a program.

24 “(E) Providing access to necessary supplies, materials, technological devices, or
25 required equipment, and other supports necessary to participate in such a
26 program.

27 “(f) Plan for Outreach to Underserved Communities.—

28 “(1) IN GENERAL.—In awarding grants under this section, the Secretary shall—

29 “(A) ensure that eligible institutions effectively serve individuals from
30 underserved communities; and

31 “(B) develop a plan to ensure that grants provided under this subchapter
32 effectively serve individuals from underserved communities.

33 “(2) UPDATES.—The Secretary shall update the plan required by paragraph (1)(B)
34 on an annual basis.

35 “(3) SUBMISSION TO CONGRESS.—The Secretary shall submit the plan required by
36 paragraph (1)(B) and each update to the plan required by paragraph (2) to Congress.

37 “(g) Geographic Diversity.—The Secretary shall, in awarding grants under this section,
38 ensure that grants are awarded with respect to eligible entities from geographically diverse
39 areas.”.

1 **PART 4—TRADE ADJUSTMENT ASSISTANCE FOR**
2 **FARMERS**

3 **SEC. 133401. DEFINITIONS.**

4 Section 291 of the Trade Act of 1974 (19 U.S.C. 2401) is amended—

5 (1) by striking paragraph (3);

6 (2) by redesignating paragraphs (4) through (7) as paragraphs (3) through (6),
7 respectively; and

8 (3) by adding at the end the following:

9 “(7) **UNDERSERVED COMMUNITY.**—The term ‘underserved community’ has the
10 meaning given that term in section 247.”.

11 **SEC. 133402. GROUP ELIGIBILITY REQUIREMENTS.**

12 Section 292 of the Trade Act of 1974 (19 U.S.C. 2401a) is amended—

13 (1) in subsection (c)—

14 (A) in paragraph (1)—

15 (i) by striking “85 percent of” each place it appears; and

16 (ii) in subparagraph (D), by adding “and” at the end;

17 (B) in paragraph (2), by striking “(2)” and inserting “(2)(A)(i)”;

18 (C) by redesignating paragraph (3) as clause (ii) of paragraph (2)(A) (as
19 designated by subparagraph (B));

20 (D) in clause (ii) of paragraph (2)(A) (as redesignated by subparagraph (C))—

21 (i) by striking “importantly”; and

22 (ii) by striking the period at the end and inserting “; or” ; and

23 (E) in paragraph (2), by adding at the end the following:

24 “(B)(i) the volume of exports of the agricultural commodity produced by the group
25 in the marketing year with respect to which the group files the petition decreased
26 compared to the average volume of such exports during the 3 marketing years
27 preceding such marketing year; and

28 “(ii) the decrease in such exports contributed to the decrease in the national average
29 price, quantity of production, or value of production of, or cash receipts for, the
30 agricultural commodity, as described in paragraph (1).”; and

31 (2) in subsection (e)(3), by adding at the end before the period the following: “or
32 exports”.

33 **SEC. 133403. BENEFIT INFORMATION TO**
34 **AGRICULTURAL COMMODITY PRODUCERS.**

1 Section 295(a) of the Trade Act of 1974 (19 U.S.C. 2401d(a)) is amended by adding at the
2 end the following: “The Secretary shall develop a plan to conduct targeted sustained
3 outreach and offer assistance to agricultural commodity producers from underserved
4 communities”.

5 **SEC. 133404. QUALIFYING REQUIREMENTS AND** 6 **BENEFITS FOR AGRICULTURAL COMMODITY** 7 **PRODUCERS.**

8 Section 296 of the Trade Act of 1974 (19 U.S.C. 2401e) is amended—

9 (1) in subsection (a)(1)(A), by striking “90 days” and inserting “120 days”;

10 (2) in subsection (b)—

11 (A) in paragraph (3)(B), by striking “\$4,000” and inserting “\$12,000”; and

12 (B) in paragraph (4)(C), by striking “\$8,000” and inserting “\$24,000”;

13 (3) in subsection (c), by striking “\$12,000” and inserting “\$36,000”; and

14 (4) by adding at the end the following new subsection:

15 “(e) Adjustments for Inflation.—

16 “(1) IN GENERAL.—The Secretary of Agriculture shall adjust each dollar amount
17 limitation described in this section on the date that is 30 days after the date of the
18 enactment of this subsection, and at the beginning of each fiscal year thereafter, to
19 reflect the percentage (if any) of the increase in the average of the Consumer Price
20 Index for the preceding 12-month period compared to the Consumer Price Index for
21 fiscal year 2020.

22 “(2) SPECIAL RULES FOR CALCULATION OF ADJUSTMENT.—In making an adjustment
23 under paragraph (1), the Secretary—

24 “(A) shall round the amount of any increase in the Consumer Price Index to the
25 nearest dollar; and

26 “(B) may ignore any such increase of less than 1 percent.

27 “(3) CONSUMER PRICE INDEX DEFINED.—For purposes of this subsection, the term
28 ‘Consumer Price Index’ means the Consumer Price Index for All Urban Consumers
29 published by the Bureau of Labor Statistics of the Department of Labor.”.

30 **PART 5—APPROPRIATIONS AND OTHER MATTERS**

31 **SEC. 133501. EXTENSION OF AND APPROPRIATIONS** 32 **FOR TRADE ADJUSTMENT ASSISTANCE PROGRAM.**

33 (a) Extension of Termination Provisions.—Section 285 of the Trade Act of 1974 (19
34 U.S.C. 2271 note) is amended by striking “2021” each place it appears and inserting
35 “2025”.

36 (b) Training Funds.—Section 236(a)(2)(A) of the Trade Act of 1974 (19 U.S.C.

1 **2296(a)(2)(A)** , as amended by section 133110(c)(2)(B), is further amended—

2 (1) by striking “shall not exceed \$450,000,000” and inserting the following: “shall
3 not exceed—

4 “(i) \$450,000,000”;

5 (2) by striking the period at the end and inserting “; and”; and

6 (3) by adding at the end the following:

7 “(ii) \$1,000,000,000 for each of the fiscal years 2022 through 2025.”.

8 (c) Reemployment Trade Adjustment Assistance.—Section 246(b)(1) of the Trade Act of
9 1974 (19 U.S.C. 2318(b)(1)) is amended by striking “2021” and inserting “2025”.

10 (d) Authorizations of Appropriations.—

11 (1) TRADE ADJUSTMENT ASSISTANCE FOR WORKERS.—Section 245 of the Trade Act of
12 1974 (19 U.S.C. 2317) is amended—

13 (A) in subsection (a), by striking “2021” and inserting “2025”; and

14 (B) by adding at the end the following:

15 “(d) Reservation by the Secretary.—Of the funds appropriated to carry out this chapter
16 for any fiscal year, the Secretary of Labor may reserve not more than 1 percent for
17 administration of the program (in addition to amounts otherwise available for such
18 purposes), technical assistance, grants for pilots and demonstrations, and the evaluation of
19 activities carried out under this chapter.”.

20 (2) TRADE ADJUSTMENT ASSISTANCE FOR FIRMS.—Section 255(a) of the Trade Act of
21 1974 (19 U.S.C. 2345(a)) is amended in the first sentence by adding at the end before
22 the period the following: “and \$50,000,000 for each of the fiscal years 2022 through
23 2025”.

24 (3) TRADE ADJUSTMENT ASSISTANCE FOR COMMUNITY COLLEGES AND CAREER
25 TRAINING.—Subsection (a) of section 279A of the Trade Act of 1974 (as redesignated)
26 is amended by striking “\$40,000,000” and all that follows through “December 31,
27 2010,” and inserting “\$300,000,000 for each of the fiscal years 2022 through 2025”.

28 (4) TRADE ADJUSTMENT ASSISTANCE FOR FARMERS.—Section 298 of the Trade Act of
29 1974 (19 U.S.C. 2401g(a)) is amended—

30 (A) in subsection (a)—

31 (i) by striking “\$90,000,000” and inserting “\$10,000,000”; and

32 (ii) by striking “2021” and inserting “2025”; and

33 (B) by adding at the end the following:

34 “(c) Reservation by the Secretary.—Of the funds appropriated to carry out this chapter
35 for any fiscal year, the Secretary of Agriculture may not reserve more than 5 percent for
36 technical assistance, pilots and demonstrations, and the evaluation of activities carried out
37 under this chapter.”.

38 (e) Appropriations.—

1 **(1) TRADE ADJUSTMENT ASSISTANCE FOR WORKERS.—In addition to amounts**
2 **otherwise available, there is appropriated for each of fiscal years 2022 through 2025,**
3 **out of any money in the Treasury not otherwise appropriated, \$1,000,000,000, to**
4 **remain available until expended, to carry out the purposes of chapter 2 of title II of the**
5 **Trade Act of 1974, as authorized by section 245 of the Trade Act of 1974 (19 U.S.C.**
6 **2317) (as amended by subsection (d)).**

7 **(2) TRADE ADJUSTMENT ASSISTANCE FOR FIRMS.—In addition to amounts otherwise**
8 **available, there is appropriated for each of fiscal years 2022 through 2025, out of any**
9 **money in the Treasury not otherwise appropriated, \$50,000,000, to remain available**
10 **until expended, to carry out the provisions of chapter 3 of title II of the Trade Act of**
11 **1974, as authorized by section 255 of the Trade Act of 1974 (19 U.S.C. 2345) (as**
12 **amended by subsection (d)).**

13 **(3) TRADE ADJUSTMENT ASSISTANCE FOR COMMUNITIES.—**

14 **(A) IN GENERAL.—In addition to amounts otherwise available, there is**
15 **appropriated for each of fiscal years 2022 through 2025, out of any money in the**
16 **Treasury not otherwise appropriated, \$300,000,000, to remain available for**
17 **obligation until September 30, 2026, to carry out subchapter A of chapter 4 of**
18 **title II of the Trade Act of 1974, as added by section 133301 of this Act.**

19 **(B) SALARIES AND EXPENSES.—Of the amounts appropriated pursuant**
20 **subparagraph (A) for each of fiscal years 2022 through 2025, not more than**
21 **\$40,000,000 shall be made available for the salaries and expenses of personnel**
22 **administering subchapter A of chapter 4 of title II of the Trade Act of 1974.**

23 **(C) SUPPLEMENT AND NOT SUPPLANT.—Amounts appropriated pursuant to**
24 **subparagraph (A) for each of the fiscal years 2022 through 2025 shall be used to**
25 **supplement, and not supplant, other Federal, State, regional, and local**
26 **government funds made available to provide economic development assistance for**
27 **communities.**

28 **(4) TRADE ADJUSTMENT ASSISTANCE FOR COMMUNITY COLLEGES AND CAREER**
29 **TRAINING.—**

30 **(A) IN GENERAL.—In addition to amounts otherwise available, there is**
31 **appropriated for each of fiscal years 2022 through 2025, out of any money in the**
32 **Treasury not otherwise appropriated, \$300,000,000, to remain available until**
33 **expended, to carry out subchapter B of chapter 4 of title II of the Trade Act of**
34 **1974, as designated by section 13301 of this Act, as authorized by section 279A of**
35 **such subchapter B (as redesignated and as amended by subsection (d)).**

36 **(B) RESERVATION BY THE SECRETARY.—Of the funds appropriated to carry out**
37 **subchapter B of chapter 4 of title II of the Trade Act of 1974 for each of fiscal**
38 **years 2022 through 2025, the Secretary of Labor may reserve not more than 5**
39 **percent for administration of the program, including providing technical**
40 **assistance, sustained outreach to eligible institutions effectively serving**
41 **underserved communities, grants for pilots and demonstrations, and a rigorous**
42 **third-party evaluation of the program carried out under such subchapter.**

43 **(5) TRADE ADJUSTMENT ASSISTANCE FOR FARMERS.—In addition to amounts**

1 otherwise available, there is appropriated for each of fiscal years 2022 through 2025,
2 out of any money in the Treasury not otherwise appropriated, \$10,000,000, to remain
3 available until expended, to carry out the purposes of chapter 6 of title II of the Trade
4 Act of 1974, as authorized by section 298 of the Trade Act of 1974 (19 U.S.C. 2401) (as
5 amended by subsection (d)).

6 **SEC. 133502. APPLICABILITY OF TRADE** 7 **ADJUSTMENT ASSISTANCE PROVISIONS.**

8 **(a) Workers Certified Before Date of Enactment.—**

9 **(1) IN GENERAL.—**Except as provided in paragraphs (2) and (3), a worker certified
10 as eligible for adjustment assistance under section 222 of the Trade Act of 1974 before
11 the date of the enactment of this Act shall be eligible, on and after such date of
12 enactment, to receive benefits only under the provisions of chapter 2 of title II of the
13 Trade Act of 1974, as in effect on such date of enactment, or as such provisions may be
14 amended after such date of enactment.

15 **(2) COMPUTATION OF MAXIMUM BENEFITS.—**Benefits received by a worker described
16 in paragraph (1) under chapter 2 of title II of the Trade Act of 1974 before the date of
17 the enactment of this Act shall be included in any determination of the maximum
18 benefits for which the worker is eligible under the provisions of chapter 2 of title II of
19 the Trade Act of 1974, as in effect on the date of the enactment of this Act, or as such
20 provisions may be amended after such date of enactment.

21 **(3) AUTHORITY TO MAKE ADJUSTMENTS TO BENEFITS.—**For the 90-day period
22 beginning on the date of the enactment of this Act, the Secretary is authorized to make
23 any adjustments to benefits to workers described in paragraph (1) that the Secretary
24 determines to be necessary and appropriate in applying and administering the
25 provisions of chapter 2 of title II of the Trade Act of 1974, as in effect on the date of
26 the enactment of this Act, or as such provisions may be amended after such date of
27 enactment, in a manner that ensures parity of treatment between the benefits of such
28 workers and the benefits of workers certified after such date of enactment.

29 **(b) Workers Not Certified Pursuant to Certain Petitions Filed Before Date of** 30 **Enactment.—**

31 **(1) CERTIFICATIONS OF WORKERS NOT CERTIFIED BEFORE DATE OF ENACTMENT.—**

32 **(A) CRITERIA IF A DETERMINATION HAS NOT BEEN MADE.—**If, as of the date of
33 the enactment of this Act, the Secretary of Labor has not made a determination
34 with respect to whether to certify a group of workers as eligible to apply for
35 adjustment assistance under section 222 of the Trade Act of 1974 pursuant to a
36 petition described in subparagraph (C), the Secretary shall make that
37 determination based on the requirements of section 222 of the Trade Act of 1974,
38 as in effect on such date of enactment.

39 **(B) RECONSIDERATION OF DENIALS OF CERTIFICATIONS.—**If, before the date of
40 the enactment of this Act, the Secretary made a determination not to certify a
41 group of workers as eligible to apply for adjustment assistance under section 222
42 of the Trade Act of 1974 pursuant to a petition described in subparagraph (C),

1 the Secretary shall—

2 (i) reconsider that determination; and

3 (ii) if the group of workers meets the requirements of section 222 of the
4 Trade Act of 1974, as in effect on such date of enactment, certify the group of
5 workers as eligible to apply for adjustment assistance.

6 (C) PETITION DESCRIBED.—A petition described in this subparagraph is a
7 petition for a certification of eligibility for a group of workers filed under section
8 221 of the Trade Act of 1974 on or after January 1, 2021, and before the date of
9 the enactment of this Act.

10 (2) ELIGIBILITY FOR BENEFITS.—

11 (A) IN GENERAL.—Except as provided in subparagraph (B), a worker certified
12 as eligible to apply for adjustment assistance under section 222 of the Trade Act
13 of 1974 pursuant to a petition described in paragraph (1)(C) shall be eligible, on
14 and after the date of the enactment of this Act, to receive benefits only under the
15 provisions of chapter 2 of title II of the Trade Act of 1974, as in effect on such
16 date of enactment, or as such provisions may be amended after such date of
17 enactment.

18 (B) COMPUTATION OF MAXIMUM BENEFITS.—Benefits received by a worker
19 described in paragraph (1) under chapter 2 of title II of the Trade Act of 1974
20 before the date of the enactment of this Act shall be included in any determination
21 of the maximum benefits for which the worker is eligible under the provisions of
22 chapter 2 of title II of the Trade Act of 1974, as in effect on the date of the
23 enactment of this Act, or as such provisions may be amended after such date of
24 enactment.

25 (c) Conforming Amendments.—

26 (1) TRADE ACT OF 2002.—Section 151 of the Trade Act of 2002 (19 U.S.C. note prec.
27 2271) is amended by striking subsections (a), (b), and (c).

28 (2) TRADE AND GLOBALIZATION ADJUSTMENT ASSISTANCE ACT OF 2009.—Section
29 1891 of the Trade and Globalization Adjustment Assistance Act of 2009 (19 U.S.C.
30 2271 note) is repealed.

31 (3) TRADE ADJUSTMENT ASSISTANCE EXTENSION ACT OF 2011.—The Trade
32 Adjustment Assistance Extension Act of 2011 is amended—

33 (A) in section 201 (19 U.S.C. note prec. 2271), by striking subsections (b) and
34 (c); and

35 (B) in section 231(a) (19 U.S.C. 2271 note), by striking paragraphs (1)(B) and
36 (2).

37 (4) TRADE ADJUSTMENT ASSISTANCE REAUTHORIZATION ACT OF 2015.—The Trade
38 Adjustment Assistance Reauthorization Act of 2015 is amended—

39 (A) in section 402 (19 U.S.C. note prec. 2271), by striking subsections (b) and
40 (c); and

1 **(B) in section 405(a)(1) (19 U.S.C. 2319(a)(1)), by striking subparagraph (B).**

2 **(d) Trade Adjustment Assistance for Firms.—**

3 **(1) CERTIFICATION OF FIRMS NOT CERTIFIED BEFORE DATE OF ENACTMENT.—**

4 **(A) CRITERIA IF A DETERMINATION HAS NOT BEEN MADE.—If, as of the date of**
5 **the enactment of this Act, the Secretary of Commerce has not made a**
6 **determination with respect to whether to certify a firm as eligible to apply for**
7 **adjustment assistance under section 251 of the Trade Act of 1974 pursuant to a**
8 **petition described in subparagraph (C), the Secretary shall make that**
9 **determination based on the requirements of section 251 of the Trade Act of 1974,**
10 **as in effect on such date of enactment.**

11 **(B) RECONSIDERATION OF DENIAL OF CERTAIN PETITIONS.—If, before the date of**
12 **the enactment of this Act, the Secretary made a determination not to certify a**
13 **firm as eligible to apply for adjustment assistance under section 251 of the Trade**
14 **Act of 1974 pursuant to a petition described in subparagraph (C), the Secretary**
15 **shall—**

16 **(i) reconsider that determination; and**

17 **(ii) if the firm meets the requirements of section 251 of the Trade Act of**
18 **1974, as in effect on such date of enactment, certify the firm as eligible to**
19 **apply for adjustment assistance.**

20 **(C) PETITION DESCRIBED.—A petition described in this subparagraph is a**
21 **petition for a certification of eligibility filed by a firm or its representative under**
22 **section 251 of the Trade Act of 1974 on or after January 1, 2021, and before the**
23 **date of the enactment of this Act.**

24 **(2) CERTIFICATION OF FIRMS THAT DID NOT SUBMIT PETITIONS BETWEEN JANUARY 1,**
25 **2021, AND DATE OF ENACTMENT.—**

26 **(A) IN GENERAL.—The Secretary of Commerce shall certify a firm described in**
27 **subparagraph (B) as eligible to apply for adjustment assistance under section 251**
28 **of the Trade Act of 1974, as in effect on the date of the enactment of this Act, if**
29 **the firm or its representative files a petition for a certification of eligibility under**
30 **section 251 of the Trade Act of 1974 not later than 90 days after such date of**
31 **enactment.**

32 **(B) FIRM DESCRIBED.—A firm described in this subparagraph is a firm that the**
33 **Secretary determines would have been certified as eligible to apply for**
34 **adjustment assistance if—**

35 **(i) the firm or its representative had filed a petition for a certification of**
36 **eligibility under section 251 of the Trade Act of 1974 on a date during the**
37 **period beginning on January 1, 2021, and ending on the day before the date**
38 **of the enactment of this Act; and**

39 **(ii) the provisions of chapter 3 of title II of the Trade Act of 1974, as in**
40 **effect on such date of enactment, had been in effect on that date during the**
41 **period described in clause (i).**

1 **SEC. 133503. SUNSET PROVISIONS.**

2 (a) Application of Prior Law.—Subject to subsection (b), beginning on July 1, 2025, the
3 provisions of chapters 2, 3, 5, and 6 of title II of the Trade Act of 1974 (19 U.S.C.
4 2271-2401g), as in effect on January 1, 2014, shall be in effect and apply, except that in
5 applying and administering such chapters—

6 (1) paragraph (1) of section 231(c) of that Act shall be applied and administered as if
7 subparagraphs (A), (B), and (C) of that paragraph were not in effect;

8 (2) section 233 of that Act shall be applied and administered—

9 (A) in subsection (a)—

10 (i) in paragraph (2), by substituting “104-week period” for “104-week
11 period” and all that follows through “130-week period”); and

12 (ii) in paragraph (3)—

13 (I) in the matter preceding subparagraph (A), by substituting “65” for
14 “52”; and

15 (II) by substituting “78-week period” for “52-week period” each place
16 it appears; and

17 (B) by applying and administering subsection (g) as if it read as follows:

18 “(g) Payment of Trade Readjustment Allowances To Complete
19 Training.—Notwithstanding any other provision of this section, in order to assist an
20 adversely affected worker to complete training approved for the worker under section 236
21 that leads to the completion of a degree or industry-recognized credential, payments may
22 be made as trade readjustment allowances for not more than 13 weeks within such period
23 of eligibility as the Secretary may prescribe to account for a break in training or for
24 justifiable cause that follows the last week for which the worker is otherwise entitled to a
25 trade readjustment allowance under this chapter if—

26 “(1) payment of the trade readjustment allowance for not more than 13 weeks is
27 necessary for the worker to complete the training;

28 “(2) the worker participates in training in each such week; and

29 “(3) the worker—

30 “(A) has substantially met the performance benchmarks established as part of
31 the training approved for the worker;

32 “(B) is expected to continue to make progress toward the completion of the
33 training; and

34 “(C) will complete the training during that period of eligibility.”;

35 (3) section 245(a) of that Act shall be applied and administered by substituting
36 “June 30, 2025” for “December 31, 2007”;

37 (4) section 246(b)(1) of that Act shall be applied and administered by substituting
38 “June 30, 2025” for “the date that is 5 years” and all that follows through “State”;

1 (5) section 256(b) of that Act shall be applied and administered by substituting “the
2 1-year period beginning on July 1, 2025” for “each of fiscal years 2003 through 2007,
3 and \$4,000,000 for the 3-month period beginning on October 1, 2007”;

4 (6) section 298(a) of that Act shall be applied and administered by substituting “the
5 1-year period beginning on July 1, 2025” for “each of the fiscal years” and all that
6 follows through “October 1, 2007”; and

7 (7) section 285 of that Act shall be applied and administered—

8 (A) in subsection (a), by substituting “June 30, 2026” for “December 31, 2007”
9 each place it appears; and

10 (B) by applying and administering subsection (b) as if it read as follows:

11 “(b) Other Assistance.—

12 “(1) ASSISTANCE FOR FIRMS.—

13 “(A) IN GENERAL.—Except as provided in subparagraph (B), assistance may
14 not be provided under chapter 3 after June 30, 2026.

15 “(B) EXCEPTION.—Notwithstanding subparagraph (A), any assistance
16 approved under chapter 3 pursuant to a petition filed under section 251 on or
17 before June 30, 2026, may be provided—

18 “(i) to the extent funds are available pursuant to such chapter for such
19 purpose; and

20 “(ii) to the extent the recipient of the assistance is otherwise eligible to
21 receive such assistance.

22 “(2) FARMERS.—

23 “(A) IN GENERAL.—Except as provided in subparagraph (B), assistance may
24 not be provided under chapter 6 after June 30, 2026.

25 “(B) EXCEPTION.—Notwithstanding subparagraph (A), any assistance
26 approved under chapter 6 on or before June 30, 2026, may be provided—

27 “(i) to the extent funds are available pursuant to such chapter for such
28 purpose; and

29 “(ii) to the extent the recipient of the assistance is otherwise eligible to
30 receive such assistance.”.

31 (b) Exceptions.—The provisions of chapters 2, 3, 5, and 6 of title II of the Trade Act of
32 1974, as in effect on the date of the enactment of this Act, shall continue to apply on and
33 after July 1, 2025, with respect to—

34 (1) workers certified as eligible for trade adjustment assistance benefits under
35 chapter 2 of title II of that Act pursuant to petitions filed under section 221 of that Act
36 before July 1, 2025;

37 (2) firms certified as eligible for technical assistance or grants under chapter 3 of
38 title II of that Act pursuant to petitions filed under section 251 of that Act before July
39 1, 2025; and

1 (3) agricultural commodity producers certified as eligible for technical or financial
2 assistance under chapter 6 of title II of that Act pursuant to petitions filed under
3 section 292 of that Act before July 1, 2025.

4 **Subtitle D—Career Pathways and Social Services**

5 **PART 1—PROVISIONS RELATING TO PATHWAYS TO** 6 **HEALTH CAREERS**

7 **SEC. 134101. PATHWAYS TO HEALTH CAREERS.**

8 Effective October 1, 2021, title XX of the Social Security Act (42 U.S.C. ~~1397–1397n13~~)
9 **1397–1397n–13**) is amended by adding at the end the following:

10 **“Subtitle D—Career Pathways Through Health Profession** 11 **Opportunity Grants**

12 **“SEC. 2071. CAREER PATHWAYS THROUGH HEALTH** 13 **PROFESSION OPPORTUNITY GRANTS.**

14 “(a) Application Requirements.—An eligible entity desiring a grant under this section for a
15 project shall submit to the Secretary an application for the grant, that includes the following:

16 “(1) A description of how the applicant will use a career pathways approach to train
17 eligible individuals for health professions that will put eligible individuals on a career path
18 to an occupation that pays well, under the project.

19 “(2) A description of the adult basic education and literacy activities, work readiness
20 activities, training activities, and case management and career coaching services that the
21 applicant will use to assist eligible individuals to gain work experience, connection to
22 employers, and job placement, and a description of the plan for recruiting, hiring, and
23 training staff to provide the case management, mentoring, and career coaching services,
24 under the project directly or through local governmental, apprenticeship, educational, or
25 charitable institutions.

26 “(3) A demonstration that the applicant has experience working with low-income
27 populations, or a description of the plan of the applicant to work with a partner organization
28 that has the experience.

29 “(4) A plan for providing post-employment support and ongoing training as part of a
30 career pathway under the project.

31 “(5) A description of the support services that the applicant will provide under the
32 project, including a plan for how child care and transportation support services will be
33 guaranteed and, if the applicant will provide a cash stipend or wage supplement, how the
34 stipend or supplement would be calculated and distributed.

35 “(6) A certification by the applicant that the project development included—

36 “(A) consultation or commitment to consult with a local workforce development

- 1 board;
- 2 “(B) consideration of registered apprenticeship and pre-apprenticeship models;
- 3 “(C) consideration of career pathway programs in the State in which the project is to
4 be conducted; and
- 5 “(D) a review of the State plan under section 102 or 103 of the Workforce
6 Innovation and Opportunity Act.
- 7 “(7) A description of the availability and relevance of recent labor market information
8 and other pertinent evidence of in-demand jobs or worker shortages.
- 9 “(8) A certification that the applicant will directly provide or contract for the training
10 services described in the application.
- 11 “(9) A commitment by the applicant that, if the grant is made to the applicant, the
12 applicant will—
- 13 “(A) during the planning period for the project, provide the Secretary with any
14 information needed by the Secretary to establish adequate data reporting and
15 administrative structure for the project;
- 16 “(B) hire a person to direct the project not later than the end of the planning period
17 applicable to the project;
- 18 “(C) accept all technical assistance offered by the Secretary with respect to the
19 grant;
- 20 “(D) participate in peer technical assistance conferences as are regularly scheduled
21 by the Secretary; and
- 22 “(E) provide all data required by the Secretary under subsection (g).
- 23 “(b) Additional Application Element.—In considering applications for a grant under this
24 section, the Secretary shall require qualified applicants to have at least 1 of the following
25 application elements—
- 26 “(1) applications submitted by applicants to whom a grant was made under this section or
27 any predecessor to this section;
- 28 “(2) applications submitted by applicants who have business and community partners in
29 each of the following categories:
- 30 “(A) State and local government agencies and social service providers, including a
31 State or local entity that administers a State program funded under part A of this title;
- 32 “(B) institutions of higher education, apprenticeship programs, and local workforce
33 development boards; and
- 34 “(C) health care employers, health care industry or sector partnerships, labor unions,
35 and labor-management partnerships;
- 36 “(3) applications that include opportunities for mentoring or peer support, and make
37 career coaching available, as part of the case management plan;
- 38 “(4) applications which describe a project that will serve a rural area in which—

1 “(A) the community in which the individuals to be enrolled in the project reside is
2 located;

3 “(B) the project will be conducted; or

4 “(C) an employer partnership that has committed to hiring individuals who
5 successfully complete all activities under the project is located;

6 “(5) applications that include a commitment to providing project participants with a cash
7 stipend or wage supplement; and

8 “(6) applications which have an emergency cash fund to assist project participants
9 financially in emergency situations.

10 “(c) Grants.—

11 “(1) COMPETITIVE GRANTS.—

12 “(A) GRANT AUTHORITY.—

13 “(i) IN GENERAL.—The Secretary shall make a grant in accordance with this
14 paragraph to an eligible entity whose application for the grant is approved by the
15 Secretary, to conduct a project designed to train low-income individuals for allied
16 health professions, health information technology, physician assistants, nursing
17 assistants, registered nurse, advanced practice nurse, and other professions
18 considered part of a health care career pathway model.

19 “(ii) GUARANTEE OF GRANTEES IN EACH STATE AND THE DISTRICT OF
20 COLUMBIA.—For each grant cycle, the Secretary shall award a grant under this
21 paragraph to at least 2 eligible entities in each State that is not a territory, to the
22 extent there are a sufficient number of applications that have a high likelihood of
23 success and that are submitted by the entities that meet the requirements
24 applicable with respect to such a grant. If, for a grant cycle, there are fewer than 2
25 such eligible entities in a State that have submitted applications with a high
26 likelihood of success, the Secretary shall identify qualified eligible applicants
27 located elsewhere, that are otherwise approved but un-funded, and issue a
28 Substitution of Grant and tailored technical assistance. In the preceding sentence,
29 the term ‘issue a Substitution of Grant’ means, in a case in which an approved
30 grantee does not complete its full project period, or in which there are fewer than
31 2 qualified grantees per State with a high likelihood of success, substitute an
32 applicant located in another State that was approved but un-funded during the
33 competition for the award for the award recipient.

34 “(B) GUARANTEE OF GRANTS FOR INDIAN POPULATIONS.—The Secretary shall award
35 a grant under this paragraph to at least 10 eligible entities that are an Indian tribe, **an**
36 **Alaska Native Corporation**, a tribal organization, or a tribal college or university, to
37 the extent there are a sufficient number of applications submitted by the entities that
38 meet the requirements applicable with respect to such a grant.

39 “(C) GUARANTEE OF GRANTEES IN THE TERRITORIES.—The Secretary shall award a
40 grant under this paragraph to at least 2 eligible entities that are located in a territory, to
41 the extent there are a sufficient number of applications submitted by the entities that
42 meet the requirements applicable with respect to such a grant.

1 “(2) GRANT CYCLE.—The grant cycle under this section shall be not less than 5 years,
2 with a planning period of not more than the first 12 months of the grant cycle. During the
3 planning period, the amount of the grant shall be in such lesser amount as the Secretary
4 determines appropriate.

5 “(d) Use of Grant.—

6 “(1) IN GENERAL.—An entity to which a grant is made under this section shall use the
7 grant in accordance with the approved application for the grant.

8 “(2) SUPPORT TO BE PROVIDED.—

9 “(A) REQUIRED SUPPORT.—A project for which a grant is made under this section
10 shall include the following:

11 “(i) An assessment for adult basic skill competency, and provision of adult
12 basic skills education if necessary for lower-skilled eligible individuals to enroll
13 in the project and go on to enter and complete post-secondary training, through
14 means including the following:

15 “(I) Establishing a network of partners that offer pre-training activities for
16 project participants who need to improve basic academic skills or English
17 language proficiency before entering a health occupational training career
18 pathway program.

19 “(II) Offering resources to enable project participants to continue
20 advancing adult basic skill proficiency while enrolled in a career pathway
21 program.

22 “(III) Embedding adult basic skill maintenance as part of ongoing
23 post-graduation career coaching and mentoring.

24 “(ii) A guarantee that child care is an available and affordable support service
25 for project participants through means such as the following:

26 “(I) Referral to, and assistance with, enrollment in a subsidized child care
27 program.

28 “(II) Direct payment to a child care provider if a slot in a subsidized child
29 care program is not available or reasonably accessible.

30 “(III) Payment of co-payments or associated fees for child care.

31 “(iii) Case management plans that include career coaching (with the option to
32 offer appropriate peer support and mentoring opportunities to help develop soft
33 skills and social capital), which may be offered on an ongoing basis before,
34 during, and after initial training as part of a career pathway model.

35 “(iv) A plan to provide project participants with transportation through means
36 such as the following:

37 “(I) Referral to, and assistance with enrollment in, a subsidized
38 transportation program.

39 “(II) If a subsidized transportation program is not reasonably available,
40 direct payments to subsidize transportation costs.

1 For purposes of this clause, the term ‘transportation’ includes public transit, or
2 gasoline for a personal vehicle if public transit is not reasonably accessible or
3 available.

4 “(B) ALLOWED SUPPORT.—The goods and services provided under a project for
5 which a grant is made under this section may include the following:

6 “(i) A cash stipend.

7 “(ii) A reserve fund for financial assistance to project participants in emergency
8 situations.

9 “(iii) Tuition, certification exam fees, and training materials such as books,
10 software, uniforms, shoes, connection to the internet, hair nets, and personal
11 protective equipment.

12 “(iv) In-kind resource donations such as interview clothing and conference
13 attendance fees.

14 “(v) Assistance with accessing and completing high school equivalency or adult
15 basic education courses as necessary to achieve success in the project and make
16 progress toward career goals.

17 “(vi) Assistance with programs and activities, including legal assistance,
18 deemed necessary to address arrest or conviction records as an employment
19 barrier.

20 “(vii) Other support services as deemed necessary for family well-being,
21 success in the project, and progress toward career goals.

22 “(3) TRAINING.—The number of hours of training provided to an eligible individual
23 under a project for which a grant is made under this section, for a recognized postsecondary
24 credential (including an industry-recognized credential, and a certificate awarded by a local
25 workforce development board), which is awarded in recognition of attainment of
26 measurable technical or occupational skills necessary to gain employment or advance
27 within an occupation, shall be—

28 “(A) not less than the number of hours of training required for certification in that
29 level of skill by the State in which the project is conducted; or

30 “(B) if there is no such requirement, such number of hours of training as the
31 Secretary finds is necessary to achieve that skill level.

32 “(4) INCLUSION OF TANF RECIPIENTS.—In the case of a project for which a grant is made
33 under this section that is conducted in a State that has a program funded under part A of title
34 IV, at least 10 percent of the eligible individuals to whom support is provided under the
35 project shall meet the income eligibility requirements under that State program, without
36 regard to whether the individuals receive benefits or services directly under that State
37 program.

38 “(5) INCOME LIMITATION.—An entity to which a grant is made under this section shall not
39 use the grant to provide support to a person who is not an eligible individual.

40 “(6) PROHIBITION.—An entity to which a grant is made under this section shall not use

1 the grant for purposes of entertainment, except that case management and career coaching
2 services may include celebrations of specific career-based milestones such as completing a
3 semester, graduation, or job placement.

4 “(e) Technical Assistance.—

5 “(1) IN GENERAL.—The Secretary shall provide technical assistance—

6 “(A) to assist eligible entities in applying for grants under this section;

7 “(B) that is tailored to meet the needs of grantees at each stage of the administration
8 of projects for which grants are made under this section;

9 “(C) that is tailored to meet the specific needs of Indian tribes, **Alaska Native**
10 **Corporations**, tribal organizations, and tribal colleges and universities;

11 “(D) that is tailored to meet the specific needs of the territories;

12 “(E) that is tailored to meet the specific needs of applicants, eligible entities, and
13 grantees, in carrying out dedicated career pathway projects pursuant to subsections (h)
14 and (i); and

15 “(F) to facilitate the exchange of information among eligible entities regarding best
16 practices and promising practices used in the projects.

17 “(2) CONTINUATION OF PEER TECHNICAL ASSISTANCE CONFERENCES.—The Secretary shall
18 continue to hold peer technical assistance conferences for entities to which a grant is made
19 under this section or was made under the immediate predecessor of this section. The
20 preceding sentence shall not be interpreted to require any such conference to be held in
21 person.

22 “(f) Evaluation of Dedicated Career Pathways.—

23 “(1) IN GENERAL.—The Secretary shall, by grant, contract, or interagency agreement,
24 conduct rigorous and well-designed evaluations of the dedicated career pathway projects
25 carried out pursuant to subsections (h) and (i).

26 “(2) REQUIREMENT APPLICABLE TO SECOND CHANCE CAREER PATHWAY.—In the case of a
27 project of the type described in subsection (i), the evaluation shall include identification of
28 successful activities for creating opportunities for developing and sustaining, particularly
29 with respect to low-income individuals with arrest or conviction records, a health
30 professions workforce that has accessible entry points, that meets high standards for
31 education, training, certification, and professional development, and that provides increased
32 wages and affordable benefits, including health care coverage, that are responsive to the
33 needs of the workforce.

34 “(3) REQUIREMENT APPLICABLE TO MATERNAL MORTALITY CAREER PATHWAY.—In the
35 case of a project of the type described in subsection (h), the evaluation shall include
36 identification of successful activities for creating opportunities for developing and
37 sustaining, particularly with respect to low-income individuals and other entry-level
38 workers, a career pathway that has accessible entry points, that meets high standards for
39 education, training, certification, and professional development, and that provides increased
40 wages and affordable benefits, including health care coverage, that are responsive to the
41 needs of the birth, pregnancy, and post-partum workforce.

1 “(g) Reports.—As a condition of funding, an eligible entity awarded a grant to conduct a
2 project under this section shall submit interim reports to the Secretary on the activities carried
3 out under the project, and, on the conclusion of the project, a final report on the activities.

4 “(h) Maternal Mortality Career Pathway.—

5 “(1) GRANT AUTHORITY.—The Secretary shall award grants in accordance with this
6 subsection to eligible entities to conduct career pathway projects for the purpose of
7 providing education for professions such as doulas, lactation consultants, childbirth
8 educators, infant massage therapists, newborn care specialists, midwives, and other
9 community health worker professions, for individuals to enter and follow a dedicated career
10 pathway in the field of pregnancy, childbirth, or post-partum services in a State that
11 recognizes doulas or midwives as health care providers and that provides payment for
12 services provided by doulas or midwives, as the case may be, under the State plan approved
13 under title XIX.

14 “(2) DURATION.—A grant awarded under this subsection shall have the same grant cycle
15 as is provided in subsection (c)(2), and as a condition of funding the grantee shall comply
16 with all data reporting requirements associated with the grant cycle.

17 “(3) APPLICATION REQUIREMENTS.—An entity seeking a grant under this subsection for a
18 project shall submit to the Secretary an application for the grant, that includes the following:

19 “(A) A description of the partnerships, strategic staff hiring decisions, tailored
20 program activities, or other programmatic elements of the project that are designed to
21 support a strong career pathway in pregnancy, birth, or post-partum services.

22 “(B) A demonstration that the State in which the project is to be conducted
23 recognizes and permits doulas and midwives to practice in the State.

24 “(C) A demonstration that the applicant has experience working with low-income
25 populations, or a description of the plan of the applicant to work with a partner that has
26 the experience.

27 “(4) SUPPORT TO BE PROVIDED.—The recipient of a grant under this subsection for a
28 project shall provide required supportive services described in subsection (d)(2)(A) to
29 project participants who need the services, and may expend the funding on eligible
30 supportive services described in subsection (d)(2)(B).

31 “(i) Second Chance Career Pathway.—

32 “(1) GRANT AUTHORITY.—The Secretary shall award grants in accordance with this
33 subsection to eligible entities to conduct career pathway projects for the purpose of
34 providing education and training for eligible individuals with arrest or conviction records to
35 enter and follow a career pathway in the health professions through occupations that are
36 expected to experience a labor shortage or be in high demand.

37 “(2) DURATION.—A grant awarded under this subsection shall have the same grant cycle
38 as is provided in subsection (c)(2), and as a condition of funding the grantee shall comply
39 with all data reporting requirements associated with the grant cycle.

40 “(3) APPLICATION REQUIREMENTS.—An entity seeking a grant under this subsection for a
41 project shall submit to the Secretary an application for the grant, that includes the following:

1 “(A) A demonstration that the State in which the project is to be conducted has in
2 effect policies or laws that permit certain allied health and behavioral health care
3 credentials to be awarded to people with certain arrest or conviction records (which
4 policies or laws shall include appeals processes and other opportunities to demonstrate
5 rehabilitation to obtain licensure and approval to work in the proposed health careers),
6 and a plan described in the application which will use a legally permitted career
7 pathway to train people with such a record to be trained and employed in such a career.

8 “(B) A discussion of how the project or future strategic hiring decisions will
9 demonstrate the experience and expertise of the project in working with job seekers
10 who have arrest or conviction records or employers with experience working with
11 people with arrest or conviction records.

12 “(C) A demonstration that the applicant has experience working with low-income
13 populations, or a description of the plan of the applicant to work with a partner that has
14 the experience.

15 “(D) An identification of promising innovations or best practices that can be used to
16 provide the training.

17 “(E) A proof of concept or demonstration that the applicant has done sufficient
18 research on workforce shortage or in-demand jobs for which people with certain types
19 of criminal records can be hired.

20 “(F) A plan for recruiting students who are eligible individuals into the project.

21 “(G) A plan for providing post-employment support and ongoing training as part of
22 a career pathway under the project.

23 “(4) SUPPORT TO BE PROVIDED.—

24 “(A) REQUIRED SUPPORT.—A recipient of a grant under this subsection for a project
25 shall provide—

26 “(i) access to legal assistance for project participants for the purpose of
27 addressing arrest or conviction records and associated workforce barriers;

28 “(ii) assistance with programs and activities deemed necessary to address arrest
29 or conviction records as an employment barrier;

30 “(iii) required supportive services described in subsection (d)(2)(A) to
31 participants who need the services, and may expend funds on eligible supportive
32 services described in subsection (d)(2)(B).

33 “(j) Definitions.—In this section:

34 “(1) **ALASKA NATIVE CORPORATION.**—The term ‘Alaska Native Corporation’ has the
35 meaning given the term in section 3(m) of the Alaska Native Claims Settlement Act (43
36 U.S.C. 1602(m)).

37 “(2) **ALLIED HEALTH PROFESSION.**—The term ‘allied health profession’ has the meaning
38 given the term in section 799B(5) of the Public Health Service Act.

39 “~~(2)~~“(3) **CAREER PATHWAY.**—The term ‘career pathway’ has the meaning given ~~that the~~
40 term in section 3(7) of the Workforce Innovation and Opportunity Act.

1 ~~“(3)“~~**(4) DOULA.**—The term ‘doula’ means an individual who—

2 “(A) is certified by an organization that has been established for not less than 5 years
3 and that requires the completion of continuing education to maintain the certification,
4 to provide non-medical advice, information, emotional support, and physical comfort
5 to an individual during the individual’s pregnancy, childbirth, and post-partum period;
6 and

7 “(B) maintains the certification by completing the required continuing education.

8 ~~“(4)“~~**(5) ELIGIBLE ENTITY.**—The term ‘eligible entity’ means any of the following entities
9 that demonstrates in an application submitted under this section that the entity has the
10 capacity to fully develop and administer the project described in the application:

11 “(A) A local workforce development board established under section 107 of the
12 Workforce Innovation and Opportunity Act.

13 “(B) A State or territory, a political subdivision of a State or territory, or an agency
14 of a State, territory, or such a political subdivision, including a State or local entity that
15 administers a State program funded under part A of this title.

16 “(C) An Indian tribe, **an Alaska Native Corporation**, a tribal organization, or a
17 tribal college or university.

18 “(D) An institution of higher education (as defined in the Higher Education Act of
19 1965).

20 “(E) A hospital (as defined in section 1861(e)).

21 “(F) A high-quality skilled nursing facility.

22 “(G) A Federally qualified health center (as defined in section 1861(aa)(4)).

23 “(H) A nonprofit organization described in section 501(c)(3) of the Internal Revenue
24 Code of 1986, a labor organization, or an entity with shared labor-management
25 oversight, that has a demonstrated history of providing health profession training to
26 eligible individuals.

27 “(I) In the case of a project of the type provided for in subsection (h) of this section,
28 an entity recognized by a State, **an Indian tribe, ~~or an Alaska Native Corporation, or~~**
29 **a** tribal organization as qualified to train doulas or midwives, if midwives or doulas, as
30 the case may be, are permitted to practice in the State involved.

31 “(J) An opioid treatment program (as defined in section 1861(jjj)(2)), and other high
32 quality comprehensive addiction care providers.

33 ~~“(5)“~~**(6) ELIGIBLE INDIVIDUAL.**—The term ‘eligible individual’ means an individual
34 whose family income does not exceed 200 percent of the Federal poverty level.

35 ~~“(6)“~~**(7) FEDERAL POVERTY LEVEL.**—The term ‘Federal poverty level’ means the poverty
36 line (as defined in section 673(2) of the Omnibus Budget Reconciliation Act of 1981,
37 including any revision required by such section applicable to a family of the size involved).

38 ~~“(7) Indian tribe; tribal organization.~~—The terms ‘Indian tribe’ and ‘tribal organization’
39 ~~have the meaning given the terms in section 4 of the Indian Self Determination and~~
40 ~~Education Assistance Act (25 U.S.C. 450b).~~

1 “(8) INSTITUTION OF HIGHER EDUCATION.—The term ‘institution of higher education’ has
2 the meaning given the term in section 101 or 102(a)(1)(B) of the Higher Education Act of
3 1965.

4 “(9) TERRITORY.—The term ‘territory’ means the Commonwealth of Puerto Rico, the
5 United States Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa.

6 “(10) TRIBAL COLLEGE OR UNIVERSITY.—The term ‘tribal college or university’ has the
7 meaning given the term in section 316(b) of the Higher Education Act of 1965.

8 **“(11) TRIBAL ORGANIZATION.—The term ‘tribal organization’ means the recognized
9 governing body of any Indian tribe; any legally established organization of Indians
10 which is controlled, sanctioned, or chartered by such governing body or which is
11 democratically elected by the adult members of the Indian community to be served by
12 such organization and which includes the maximum participation of Indians in all
13 phases of its activities.**

14 “(k) Funding.—In addition to amounts otherwise available, there is appropriated to the
15 Secretary— **Secretary, out of any money in the Treasury not otherwise appropriated—**

16 ~~“(1) \$318,750,000“(1) for grants under subsection (e)(1)(A)(c)(1)(A)—~~

17 **“(A) \$318,750,000 for fiscal year 2022; and**

18 **“(B) \$338,108,438 for each of fiscal years ~~2022~~ 2023 through 2026;**

19 ~~“(2) \$17,000,000 for grants under subsection (e)(1)(B)(c)(1)(B)—~~

20 **“(A) \$17,000,000 for fiscal year 2022; and**

21 **“(B) \$18,027,650 for each of fiscal years ~~2022~~ 2023 through 2026;**

22 ~~“(3) \$21,250,000 for grants under subsection (e)(1)(C)(c)(1)(C)—~~

23 **“(A) \$21,250,000 for fiscal year 2022; and**

24 **“(B) \$22,534,563 for each of fiscal years ~~2022~~ 2023 through 2026;**

25 ~~“(4) \$25,500,000 for projects conducted under subsections (h) and (i), \$27,041,475 for~~
26 ~~each of fiscal years 2023 through 2026;~~

27 ~~“(5) \$25,500,000, for the provision of technical assistance and administration—~~

28 **“(A) for fiscal year 2022, \$25,500,000 plus all amounts referred to in paragraphs**
29 **(1) through (4)(3) of this subsection that remain unused after all grant awards are made**
30 **for the fiscal year; and**

31 ~~“(B) for each of fiscal years 2022 through 2026, for the provision of technical~~
32 ~~assistance and administration; and 2023 through 2026, \$27,041,475 plus all amounts~~
33 **referred to in paragraphs (1) through (4) of this subsection that remain unused**
34 **after all grant awards are made for the fiscal year; and**

35 ~~“(6) \$17,000,000 for each of fiscal years 2022 through 2026“(6) for studying the effects~~
36 ~~of the projects for which a grant is made under this section, and for administration, for the~~
37 ~~purpose of supporting the rigorous evaluation of the projects, and supporting the continued~~
38 ~~study of the short-, medium-, and long-term effects of all such projects, including the~~
39 ~~effectiveness of new or added elements of the projects.”.~~

1 projects—

2 “(A) \$17,000,000 for fiscal year 2022; and

3 “(B) \$18,027,650 for each of fiscal years 2023 through 2026.”.

4 PART 2—PROVISIONS RELATING TO ELDER JUSTICE

5 SEC. 134201. REAUTHORIZATION OF FUNDING FOR
6 PROGRAMS TO PREVENT AND INVESTIGATE ELDER
7 ABUSE, NEGLECT, AND EXPLOITATION.

8 (a) Long-term Care Staff Training Grants.—Section 2041 of the Social Security Act (42
9 U.S.C. 1397m) is amended to read as follows:

10 “SEC. 2041. NURSING HOME WORKER TRAINING
11 GRANTS.

12 “(a) Appropriation.—Out of any funds in the Treasury not otherwise appropriated, in addition
13 to amounts otherwise available, there is appropriated to the Secretary for each of fiscal years
14 2023 through 2026—

15 “(1) ~~\$392,000,000~~ **\$415,696,400** for grants under subsection (b)(1); and

16 “(2) ~~\$8,000,000~~ **\$8,483,600** for grants under subsection (b)(2).

17 “(b) Grants.—

18 “(1) STATE ENTITLEMENT.—

19 “(A) IN GENERAL.—Each State shall be entitled to receive from the Secretary for
20 each fiscal year specified in subsection (a) a grant in an amount equal to the amount
21 allotted to the State under subparagraph (B) of this paragraph.

22 “(B) STATE ALLOTMENTS.—The amount allotted to a State under this subparagraph
23 for a fiscal year shall be—

24 “(i) the amount made available by subsection (a) for the fiscal year that is not
25 required to be reserved by subsection (a); multiplied by

26 “(ii)(I) the number of State residents who have attained 65 years of age or are
27 individuals with a disability, as determined by the Secretary using the most recent
28 version of the American Community Survey published by the Bureau of the
29 Census or a successor data set; divided by

30 “(II) the total number of such residents of all States.

31 “(2) GRANTS TO INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—

32 “(A) IN GENERAL.—The Secretary, in consultation with the Indian tribes and tribal
33 organizations, shall make grants in accordance with this section to Indian tribes and
34 tribal organizations who operate at least 1 eligible setting.

35 “(B) GRANT FORMULA.—The Secretary, in consultation with the Indian tribes and

1 tribal organizations, shall devise a formula for distributing among Indian tribes and
2 tribal organizations the amount required to be reserved by subsection (a) for each fiscal
3 year.

4 “(3) SUB-GRANTS.—A State, Indian tribe, or tribal organization to which an amount is
5 paid under this paragraph may use the amount to make sub-grants to local organizations,
6 including community organizations, local non-profits, elder rights and justice groups, and
7 workforce development boards for any purpose described in paragraph (1) or (2) of
8 subsection (c).

9 “(c) Use of Funds.—

10 “(1) REQUIRED USES.—A State to which an amount is paid under subsection (b) shall use
11 the amount to—

12 “(A) provide wage subsidies to eligible individuals;

13 “(B) provide student loan repayment or tuition assistance to eligible individuals for a
14 degree or certification in a field relevant to their position referred to in subsection
15 (f)(1)(A);

16 “(C) guarantee affordable and accessible child care for eligible individuals,
17 including help with referrals, co-pays, or other direct assistance; and

18 “(D) provide assistance where necessary with obtaining appropriate transportation,
19 including public transportation if available, or gas money or transit vouchers for ride
20 share, taxis, and similar types of transportation if public transportation is unavailable or
21 impractical based on work hours or location.

22 “(2) AUTHORIZED USES.—A State to which an amount is paid under subsection (b) may
23 use the amount to—

24 “(A) establish a reserve fund for financial assistance to eligible individuals in
25 emergency situations;

26 “(B) provide in-kind resource donations, such as interview clothing and conference
27 attendance fees;

28 “(C) provide assistance with programs and activities, including legal assistance,
29 deemed necessary to address arrest or conviction records that are an employment
30 barrier;

31 “(D) support employers operating an eligible setting in the State in providing
32 employees with not less than 2 weeks of paid leave per year; or

33 “(E) provide other support services the Secretary deems necessary to allow for
34 successful recruitment and retention of workers.

35 “(3) PROVISION OF FUNDS ONLY FOR THE BENEFIT OF ELIGIBLE INDIVIDUALS IN ELIGIBLE
36 SETTINGS.—A State to which an amount is paid under subsection (b) may provide the
37 amount to only an eligible individual or a partner organization serving an eligible
38 individual.

39 “(4) NONSUPPLANTATION.—A State to which an amount is paid under subsection (b)
40 shall not use the amount to supplant the expenditure of any State funds for recruiting or

1 retaining employees in an eligible setting.

2 “(d) Administration.—A State to which a grant is made under subsection (b) shall reserve not
3 more than 10 percent of the grant to—

4 “(1) administer subgrants in accordance with this section;

5 “(2) provide technical assistance and support for applying for and accessing such a
6 subgrant opportunity;

7 “(3) publicize the availability of the subgrants;

8 “(4) carry out activities to increase the supply of eligible individuals; and

9 “(5) provide technical assistance to help subgrantees find and train individuals to provide
10 the services for which they are contracted.

11 “(e) Definitions.—In this section:

12 “(1) ELIGIBLE INDIVIDUAL.—The term ‘eligible individual’ means an individual who—

13 “(A)(i) is a qualified home health aide, as defined in section 484.80(a) of title 42,
14 Code of Federal Regulations;

15 “(ii) is a nurse aide approved by the State as meeting the requirements of sections
16 483.150 through 483.154 of such title, and is listed in good standing on the State nurse
17 aide registry;

18 “(iii) is a personal care aide approved by the State, and furnishes personal care
19 services, as defined in section 440.167 of such title;

20 “(iv) is a qualified hospice aide, as defined in section 418.76 of such title; or

21 “(v) is a licensed practical nurse or a licensed or certified social worker; or

22 “(vi) is receiving training to be certified or licensed as such an aide, nurse, or social
23 worker; and

24 “(B) provides (or, in the case of a trainee, intends to provide) services as such an
25 aide, nurse, or social worker in an eligible setting.

26 “(2) ELIGIBLE SETTING.—The term ‘eligible setting’ means—

27 “(A) a skilled nursing facility, as defined in section 1819;

28 “(B) a nursing facility, as defined in section 1919;

29 “(C) a home health agency, as defined in section 1891;

30 “(D) a facility provider approved to deliver home or community-based services
31 authorized under State options described in subsection (c) or (i) of section 1915 or, as
32 relevant, demonstration projects authorized under section 1115;

33 “(E) a hospice, as defined in section 1814;

34 ~~or~~“(F) an intermediate care facility, as defined in section 1905(d); or

35 ~~“(F)“(G) a tribal assisted living facility.~~

36 “(3) TRIBAL ORGANIZATION.—The term ‘tribal organization’ has the meaning given the

1 term in section 4 of the Indian Self-Determination and Education Assistance Act.”.

2 (b) Adult Protective Services Functions and Grant Programs.—

3 (1) DIRECT FUNDING; STATE ENTITLEMENT.—Section 2042 of the Social Security Act (42
4 U.S.C. 1397m–1) is amended—

5 (A) in subsection (a)—

6 (i) in paragraph (1)(A)—

7 (I) by striking “offices” and inserting “programs”; and

8 (II) by inserting “and adults who are under a disability (as defined in
9 section 216(i)(1))” before the semicolon; and

10 (ii) by striking paragraph (2) and inserting the following:

11 “(2) APPROPRIATION.—Out of any money in the Treasury not otherwise appropriated, in
12 addition to amounts otherwise available, there are appropriated to the Secretary ~~\$8,000,000~~
13 **\$8,483,600** for each of fiscal years 2023 through 2025 to carry out this subsection.”;

14 (B) in subsection (b)—

15 (i) in paragraph (2)—

16 (I) in subparagraph (A), by striking “the availability of appropriations
17 and”; and

18 (II) in subparagraph (B)—

19 (aa) in the heading for clause (i), by inserting “AND THE DISTRICT OF
20 COLUMBIA” after “STATES”; and

21 (bb) in clause (ii), by inserting “or the District of Columbia” after
22 “States”; and

23 (ii) by striking paragraph (5) and inserting the following:

24 “(5) APPROPRIATION.—Out of any money in the Treasury not otherwise appropriated, in
25 addition to amounts otherwise available, there are appropriated to the Secretary for each of
26 fiscal years 2023 through 2025—

27 “(A) ~~\$392,000,000~~ **\$415,696,400** for grants to States under this subsection; and

28 “(B) ~~\$8,000,000~~ **\$8,483,600** for grants to Indian tribes and tribal organizations under
29 this subsection.”; and

30 (C) in subsection (c), by striking paragraph (6) and inserting the following:

31 “(6) APPROPRIATION.—Out of any money in the Treasury not otherwise appropriated, in
32 addition to amounts otherwise available, there are appropriated to the Secretary ~~\$75,000,000~~
33 **\$79,533,750** for each of fiscal years 2023 through 2025 to carry out this subsection.”.

34 (2) STATE ENTITLEMENT; GRANTS TO INDIAN TRIBES AND TRIBAL
35 ORGANIZATIONS.—Section 2042 of such Act (42 U.S.C. 1397m–1) is amended—

36 (A) in subsection (a)(1)(A), by striking “State and local” and inserting “State, local,
37 and tribal”;

1 (B) in subsection (b)(1), by striking “the Secretary shall annually award grants to
2 States in the amounts calculated under paragraph (2)” and inserting “each State shall
3 be entitled to annually receive from the Secretary in the amounts calculated under
4 paragraph (2), and the Secretary may annually award to each Indian tribe and tribal
5 organization in accordance with paragraph (3), grants”;

6 (C) in subsection (b)(2)—

7 (i) in the paragraph heading, by inserting “FOR A STATE” after “PAYMENT”;

8 (ii) in subparagraph (A), by striking “to carry out” and inserting “for grants to
9 States under”; and

10 (iii) in subparagraph (B)(i), by striking “such year” and inserting “for grants to
11 States under this subsection for the fiscal year”; and

12 (D) in subsection (b), by redesignating paragraphs (3) through (5) as paragraphs (4)
13 through (6), respectively, and inserting after paragraph (2) the following:

14 “(3) AMOUNT OF PAYMENT TO INDIAN TRIBE OR TRIBAL ORGANIZATION.—The Secretary,
15 in consultation with Indian tribes and tribal organizations, shall determine the amount of
16 any grant to be made to each Indian tribe and tribal organization under this subsection.
17 Paragraphs (4) and (5) shall apply to grantees under this paragraph in the same manner in
18 which the paragraphs apply to States.”;

19 (E) in subsection (c)—

20 (i) in paragraph (1), by striking “to States” and inserting “to States, Indian
21 tribes, and tribal organizations”;

22 (ii) in paragraph (2)—

23 (I) in the matter preceding subparagraph (A), by inserting “and Indian
24 tribes and tribal organizations” after “government”; and

25 (II) in subparagraph (D), by inserting “or Indian tribe or tribal
26 organization, as the case may be” after “government”;

27 (iii) in paragraph (4), by inserting “or Indian tribe or tribal organization” after
28 “a State” the 1st place it appears; and

29 (iv) in paragraph (5)—

30 (I) by inserting “or Indian tribe or tribal organization” after “Each State”;
31 and

32 (II) by inserting “or Indian tribe or tribal organization, as the case may be”
33 after “the State”; and

34 (F) by adding at the end the following:

35 “(d) Definitions of Indian Tribe and Tribal Organization.—In this section, the terms ‘Indian
36 tribe’ and ‘tribal organization’ have the meanings given the terms in section 419.”.

37 (3) CONFORMING AMENDMENT.—Section 2011(2) of such Act (42 U.S.C. 1397j(2)) is
38 amended by striking “such services provided to adults as the Secretary may specify” and
39 inserting “services provided by an entity authorized by or under State law address neglect,

1 abuse, and exploitation of older adults and people with disabilities”.

2 (c) Long-term Care Ombudsman Program Grants and Training.—Section 2043 of the Social
3 Security Act (42 U.S.C. 1397m–2) is amended—

4 (1) in subsection (a), by striking paragraph (2) and inserting the following:

5 “(2) APPROPRIATION.—Out of any money in the Treasury not otherwise appropriated, in
6 addition to amounts otherwise available, there are appropriated to the Secretary to carry out
7 this subsection—

8 “(A) ~~\$22,500,000~~ **\$23,860,125** for fiscal year 2023; and

9 “(B) ~~\$30,000,000~~ **\$31,813,500** for each of fiscal years 2024 and 2025.”; and

10 (2) in subsection (b), by striking paragraph (2) and inserting the following:

11 “(2) APPROPRIATION.—Out of any money in the Treasury not otherwise appropriated, in
12 addition to amounts otherwise available, there are appropriated to the Secretary ~~\$30,000,000~~
13 **\$31,813,500** for each of fiscal years 2023 through 2025 to carry out this subsection.”.

14 (d) Incentives for Developing and Sustaining Structural Competency in Providing Health and
15 Human Services.—Part II of subtitle B of title XX of the Social Security Act (42 U.S.C.
16 1397m-1397m–5) is amended by adding at the end the following:

17 **“SEC. 2047. INCENTIVES FOR DEVELOPING AND**
18 **SUSTAINING STRUCTURAL COMPETENCY IN**
19 **PROVIDING HEALTH AND HUMAN SERVICES.**

20 “(a) Grants to States to Support Linkages to Legal Services and Medical Legal Partnerships.—

21 “(1) APPROPRIATION.—Out of any money in the Treasury not otherwise appropriated, in
22 addition to amounts otherwise available, there are appropriated to the Secretary
23 ~~\$500,000,000~~ **\$530,225,000** for fiscal year 2023, to remain available for the purposes of this
24 subsection through fiscal year 2028.

25 “(2) GRANTS.—Within 2 years after the date of the enactment of this section, the
26 Secretary shall establish and administer a program of grants to States to support the
27 adoption of evidence-based approaches to establishing or improving and maintaining
28 real-time linkages between health and social services and supports for vulnerable elders or
29 in conjunction with authorized representatives of vulnerable elders, including through the
30 following:

31 “(A) MEDICAL-LEGAL PARTNERSHIPS.—The establishment and support of
32 medical-legal partnerships, the incorporation of the partnerships in the elder justice
33 framework and health and human services safety net, and the implementation and
34 operation of such a partnership by an eligible grantee—

35 “(i) at the option of a State, in conjunction with an area agency on aging;

36 “(ii) in a solo provider practice in a health professional shortage area (as
37 defined in section 332(a) of the Public Health Service Act), a medically
38 underserved community (as defined in section 399V of such Act), or a rural area

1 (as defined in section 330J of such Act);

2 “(iii) in a minority-serving institution of higher learning with health, law, and
3 social services professional programs;

4 “(iv) in a federally qualified health center, as described in section 330 of the
5 Public Health Service Act, or look-alike, as described in section 1905(1)(2)(B) of
6 this Act; or

7 “(v) in certain hospitals that are critical access hospitals, Medicare-dependent
8 hospitals, sole community hospitals, rural emergency hospitals, or that serve a
9 high proportion of Medicare or Medicaid patients.

10 “(B) LEGAL HOTLINES DEVELOPMENT OR EXPANSION.—The provision of incentives
11 to develop, enhance, and integrate platforms, such as legal assistance hotlines, that help
12 to facilitate the identification of older adults who could benefit from linkages to
13 available legal services such as those described in subparagraph (A).

14 “(3) STATE REPORTS.—Each State to which a grant is made under this subsection shall
15 submit to the Secretary biannual reports on the activities carried out by the State pursuant to
16 this subsection, which shall include assessments of the effectiveness of the activities with
17 respect to—

18 “(A) the number of unique individuals identified through the mechanism outlined in
19 paragraph (2)(B) who are referred to services described in paragraph (2)(A), and the
20 average time period associated with resolving issues;

21 “(B) the success rate for referrals to community-based resources; and

22 “(C) other factors determined relevant by the Secretary.

23 “(4) EVALUATION.—The Secretary shall, by grant, contract, or interagency agreement,
24 evaluate the activities conducted pursuant to this subsection, which shall include a
25 comparison among the States.

26 “(5) SUPPLEMENT NOT SUPPLANT.—Support provided to area agencies on aging, State
27 units on aging, eligible entities, or other community-based organizations pursuant to this
28 subsection shall be used to supplement and not supplant any other Federal, State, or local
29 funds expended to provide the same or comparable services described in this subsection.

30 “(b) Grants and Training to Support Area Agencies on Aging or Other Community-based
31 Organizations to Address Social Isolation Among Vulnerable Older Adults and People With
32 Disabilities.—

33 “(1) APPROPRIATION.—Out of any money in the Treasury not otherwise appropriated, in
34 addition to amounts otherwise available, there are appropriated to the Secretary
35 ~~\$250,000,000~~ **\$265,112,500** for fiscal year 2023, to remain available for the purposes of this
36 subsection through fiscal year 2028.

37 “(2) GRANTS.—The Secretary shall make grants to eligible area agencies on aging or
38 other community-based organizations for the purpose of—

39 “(A) conducting outreach to individuals at risk for, or already experiencing, social
40 isolation or loneliness, through established screening tools or other methods identified

1 by the Secretary;

2 “(B) developing community-based interventions for the purposes of mitigating
3 loneliness or social isolation (including evidence-based programs, as defined by the
4 Secretary, developed with multi-stakeholder input for the purposes of promoting social
5 connection, mitigating social isolation or loneliness, or preventing social isolation or
6 loneliness) among at-risk individuals;

7 “(C) connecting at-risk individuals with community social and clinical supports; and

8 “(D) evaluating the effect of programs developed and implemented under
9 subparagraphs (B) and (C).

10 “(3) TRAINING.—The Secretary shall establish programs to provide and improve training
11 for area agencies on aging or community-based organizations with respect to addressing and
12 preventing social isolation and loneliness among older adults and people with disabilities.

13 “(4) EVALUATION.—Not later than 3 years after the date of the enactment of this section
14 and at least once after fiscal year 2025, the Secretary shall submit to the Congress a written
15 report which assesses the extent to which the programs established under this subsection
16 address social isolation and loneliness among older adults and people with disabilities.

17 “(5) COORDINATION.—The Secretary shall coordinate with resource centers, grant
18 programs, or other funding mechanisms established under section 411(a)(18) of the Older
19 Americans Act (42 U.S.C. 3032(a)(18)), section 417(a)(1) of such Act (42 U.S.C.
20 3032F(a)(1)), or other programs as determined by the Secretary.

21 “(c) Definitions.—In this section:

22 “(1) AREA AGENCY ON AGING.—The term ‘area agency on aging’ means an area agency
23 on aging designated under section 305 of the Older Americans Act of 1965.

24 “(2) SOCIAL ISOLATION.—The term ‘social isolation’ means objectively being alone, or
25 having few relationships or infrequent social contact.

26 “(3) LONELINESS.—The term ‘loneliness’ means subjectively feeling alone, or the
27 discrepancy between one’s desired level of social connection and one’s actual level of
28 social connection.

29 “(4) SOCIAL CONNECTION.—The term ‘social connection’ means the variety of ways one
30 can connect to others socially, through physical, behavioral, social–cognitive, and emotional
31 channels.

32 “(5) COMMUNITY-BASED ORGANIZATION.—The term ‘community-based organization’
33 includes, except as otherwise provided by the Secretary, a nonprofit community-based
34 organization, a consortium of nonprofit community-based organizations, a national
35 nonprofit organization acting as an intermediary for a community-based organization, or a
36 community-based organization that has a fiscal sponsor that allows the organization to
37 function as an organization described in section 501(c)(3) of the Internal Revenue Code of
38 1986 and exempt from taxation under section 501(a) of such Code.”.

39 (e) Technical Amendment.—Section 2011(12)(A) of the Social Security Act (42 U.S.C.
40 1397j(12)(A)) is amended by striking “450b” and inserting “5304”.

1 SEC. 134202. APPROPRIATION FOR ASSESSMENTS.

2 Out of any money in the Treasury not otherwise appropriated, in addition to amounts
3 otherwise available, there are appropriated to the Secretary of Health and Human Services
4 ~~\$5,000,000~~ **\$5,302,250** for each of fiscal years 2023 through 2026 to prepare and submit to the
5 Committee on Ways and Means of the House of Representatives and the Committee on Finance
6 of the Senate, not later than 3 years after the date of enactment of this Act, and at least once after
7 fiscal year 2025, reports on the programs, coordinating bodies, registries, and activities
8 established or authorized under subtitle B of title XX of the Social Security Act or section
9 6703(b) of the Patient Protection and Affordable Care Act (42 U.S.C. 1395i-3a), which shall
10 assess the extent to which such programs, coordinating bodies, registries, and activities have
11 improved access to, and the quality of, resources available to aging Americans and their
12 caregivers to ultimately prevent, detect, and treat abuse, neglect, and exploitation, and shall
13 include, as appropriate, recommendations to Congress on funding levels and policy changes to
14 help these programs, coordinating bodies, registries, and activities better prevent, detect, and
15 treat abuse, neglect, and exploitation of aging Americans.

16 ~~PART 3 SKILLED NURSING FACILITIES~~

17 ~~SEC. 134301. FUNDING TO IMPROVE THE ACCURACY~~
18 ~~AND RELIABILITY OF CERTAIN SKILLED NURSING~~
19 ~~FACILITY DATA.~~

20 ~~Section 1888 of the Social Security Act (42 U.S.C. 1395yy) is~~
21 ~~amended—~~

22 ~~(1) in subsection (h)(12)—~~

23 ~~(A) in subparagraph (A), by striking “and the data submitted~~
24 ~~under subsection (e)(6) a process to validate such measures and~~
25 ~~data” and inserting “, the data submitted under subsection (e)(6),~~
26 ~~and, during the period beginning with fiscal year 2024 and~~
27 ~~ending with fiscal year 2031, the resident assessment data~~
28 ~~described in section 1819(b)(3) and the direct care staffing~~
29 ~~information described in section 1128I(g) a process to validate~~
30 ~~such measures, data, and information”;~~ and

31 ~~(B) in subparagraph (B)—~~

32 ~~(i) by striking “Funding. For purposes” and inserting~~
33 ~~“Funding.—~~

1 ~~“(i) Fiscal years 2023 through 2025. — For purposes”;~~ and
2 ~~(ii) by adding at the end the following new clause:~~
3 ~~“(ii) Fiscal years 2026 through 2031. — There is appropriated to~~
4 ~~the Secretary, out of any monies in the Treasury not otherwise~~
5 ~~appropriated, \$50,000,000 for the period of fiscal years 2026~~
6 ~~through 2031 for purposes of carrying out this paragraph.”;~~ and
7 ~~(2) in subsection (e)(6)(A) —~~
8 ~~(A) in the header, by striking “for failure to report”;~~ and
9 ~~(B) in clause (i) —~~
10 ~~(i) by striking “For fiscal years beginning with fiscal year 2018,~~
11 ~~in the case of a skilled nursing facility that does not submit” and~~
12 ~~inserting the following:~~
13 ~~“(I) Failure to report. — For fiscal years beginning with fiscal~~
14 ~~year 2018, in the case of a skilled nursing facility that does not~~
15 ~~submit quality measure data specified by the Secretary and”;~~ and
16 ~~(ii) by adding at the end the following new subclause:~~
17 ~~“(II) Reporting of inaccurate information. — For fiscal years~~
18 ~~during the period beginning with fiscal year 2026 and ending~~
19 ~~with fiscal year 2031, in the case of a skilled nursing facility that~~
20 ~~submits data under this paragraph, measures under subsection~~
21 ~~(h), resident assessment data described in section 1819(b)(3), or~~
22 ~~direct care staffing information described in section 1128I(g)~~
23 ~~with respect to such fiscal year that is inaccurate (as determined~~
24 ~~by the Secretary through the validation process described in~~
25 ~~section 1888(h)(12) or otherwise), after determining the~~
26 ~~percentage described in paragraph (5)(B)(i), and after~~
27 ~~application of clauses (ii) and (iii) of paragraph (5)(B) and of~~
28 ~~subclause (I) of this clause (if applicable), the Secretary shall~~

1 ~~reduce such percentage for payment rates during such fiscal year~~
2 ~~by 2 percentage points.”.~~

3 ~~SEC. 134302. ENSURING ACCURATE INFORMATION ON-~~
4 ~~COST REPORTS. Subtitle E—Infrastructure Financing and~~
5 ~~Community Development~~

6
7 ~~* 2 Section 1888(f) of the Social Security Act (42 U.S.C.~~
8 ~~1395yy(f)) is amended by adding at the end the following new-~~
9 ~~paragraph:~~

10 ~~“(5) Audit of cost reports.— There is appropriated to the~~
11 ~~Secretary, out of any monies in the Treasury not otherwise~~
12 ~~appropriated, \$250,000,000 for fiscal year 2023 to remain~~
13 ~~available until expended, for purposes of conducting an annual~~
14 ~~audit (beginning with 2023 and ending with 2031) of cost~~
15 ~~reports submitted under this title for a representative sample of~~
16 ~~skilled nursing facilities.”.~~

17 ~~SEC. 134303. SURVEY IMPROVEMENTS.~~

18
19 ~~* 1 Section 1819 of the Social Security Act (42 U.S.C. 1395i3)~~
20 ~~is amended by adding at the end the following new subsection:~~

21 ~~“(1) Survey Improvements.—~~

22 ~~“(1) In general.— There is appropriated to the Secretary, out of~~
23 ~~any monies in the Treasury not otherwise appropriated,~~
24 ~~\$325,000,000, for the period of fiscal years 2023 through 2031,~~
25 ~~for purposes of—~~

26 ~~“(A) conducting reviews and identifying plans under paragraph~~
27 ~~(2); and~~

28 ~~“(B) providing training, tools, technical assistance, and financial~~

1 ~~support in accordance with paragraph (3).~~

2 ~~“(2) Review. — The Secretary shall conduct reviews, during the~~
3 ~~period specified in paragraph (1), of (and, as appropriate,~~
4 ~~identify plans to improve) the following:~~

5 ~~“(A) The extent to which surveys conducted under subsection~~
6 ~~(g) and the enforcement process under subsection (h) result in~~
7 ~~increased compliance with requirements under this section and~~
8 ~~subpart B of part 483 of title 42, Code of Federal Regulations,~~
9 ~~with respect to skilled nursing facilities (in this subsection~~
10 ~~referred to as ‘facilities’).~~

11 ~~“(B) The timeliness and thoroughness of State agency~~
12 ~~verification of deficiency corrections at facilities.~~

13 ~~“(C) The accuracy of the identification and appropriateness of~~
14 ~~the scope and severity of deficiencies cited at facilities.~~

15 ~~“(D) The accuracy of the identification and appropriateness of~~
16 ~~the scoping and severity of life safety, infection control, and~~
17 ~~emergency preparedness deficiencies cited at facilities.~~

18 ~~“(E) The timeliness of State agency investigations of —~~

19 ~~“(i) complaints at facilities;~~

20 ~~“(ii) facility reported incidents at facilities; and~~

21 ~~“(iii) reported allegations of abuse, neglect, and exploitation at~~
22 ~~facilities.~~

23 ~~“(F) The consistency of facility reporting of substantiated~~
24 ~~complaints to law enforcement.~~

25 ~~“(G) The ability of the State agency to sufficiently hire, train,~~
26 ~~and retain individuals who conduct surveys.~~

27 ~~“(H) Any other area related to surveys of facilities, or the~~

1 ~~individuals conducting such surveys, determined appropriate by~~
2 ~~the Secretary.~~

3 ~~“(3) Support.— Based on the review under paragraph (2), the~~
4 ~~Secretary shall, during the period specified in paragraph (1),~~
5 ~~provide training, tools, technical assistance, and financial~~
6 ~~support to State and Federal agencies that perform surveys of~~
7 ~~facilities for the purpose of improving the surveys conducted~~
8 ~~under subsection (g) and the enforcement process under~~
9 ~~subsection (h) with respect to the areas reviewed under~~
10 ~~paragraph (2).”.~~

11 ~~SEC. 134304. NURSE STAFFING REQUIREMENTS.~~

12 ~~Section 1819(d) of the Social Security Act (42 U.S.C.~~
13 ~~1395i3(d)) is amended—~~

14 ~~(1) in paragraph (4)(A), by inserting “and any regulations~~
15 ~~promulgated under paragraph (5)(C)” after “section 1124”; and~~
16 ~~(2) by adding at the end the following new paragraph:~~

17 ~~“(5) Nurse staffing requirements.—~~

18 ~~“(A) Funding.— There is appropriated to the Secretary, out of~~
19 ~~any monies in the Treasury not otherwise appropriated,~~
20 ~~\$50,000,000 for the period of fiscal years 2023 through 2031 for~~
21 ~~purposes of carrying out this paragraph.~~

22 ~~“(B) Study.— Not later than 3 years after the date of the~~
23 ~~enactment of this paragraph, and not less frequently than once~~
24 ~~every 5 years thereafter, the Secretary shall, out of funds~~
25 ~~appropriated under subparagraph (A), conduct a study and~~
26 ~~submit to Congress a report on the appropriateness of~~
27 ~~establishing minimum staff to resident ratios for nursing staff for~~
28 ~~skilled nursing facilities. Each such report shall include—~~

1 ~~“(i) with respect to the first such report, recommendations-~~
2 ~~regarding appropriate minimum ratios of registered nurses (and,~~
3 ~~if practicable, licensed practical nurses (or licensed vocational-~~
4 ~~nurses) and certified nursing assistants) to residents at such-~~
5 ~~skilled nursing facilities; and~~

6 ~~“(ii) with respect to each subsequent such report,~~
7 ~~recommendations regarding appropriate minimum ratios of~~
8 ~~registered nurses, licensed practical nurses (or licensed-~~
9 ~~vocational nurses), and certified nursing assistants to residents at~~
10 ~~such skilled nursing facilities.~~

11 ~~“(C) Promulgation of regulations.—~~

12 ~~“(i) In general.— Not later than 1 year after the Secretary first~~
13 ~~submits a report under subparagraph (B), the Secretary shall, out-~~
14 ~~of funds appropriated under subparagraph (A)—~~

15 ~~“(I) specify through regulations, consistent with such report,~~
16 ~~appropriate minimum ratios (if any) of registered nurses (and, if~~
17 ~~practicable, licensed practical nurses (or licensed vocational-~~
18 ~~nurses) and certified nursing assistants) to residents at skilled-~~
19 ~~nursing facilities; and~~

20 ~~“(II) except as provided in clause (ii), require such skilled-~~
21 ~~nursing facilities to comply with such ratios.~~

22 ~~“(ii) Exception.—~~

23 ~~“(I) In general.— In addition to the authority to waive the~~
24 ~~application of clause (i)(II) under section 1135, the Secretary~~
25 ~~may waive the application of such clause with respect to a~~
26 ~~skilled nursing facility if the Secretary finds that—~~

27 ~~“(aa) the facility is located in a rural area and the supply of~~
28 ~~skilled nursing facility services in such area is not sufficient to-~~

1 ~~meet the needs of individuals residing therein;~~

2 ~~“(bb) the Secretary provides notice of the waiver to the State-~~
3 ~~long term care ombudsman (established under section-~~
4 ~~307(a)(12) of the Older Americans Act of 1965) and the~~
5 ~~protection and advocacy system in the State for the mentally ill;~~
6 ~~and~~

7 ~~“(cc) the facility that is granted such a waiver notifies residents-~~
8 ~~of the facility (or, where appropriate, the guardians or legal-~~
9 ~~representatives of such residents) and members of their-~~
10 ~~immediate families of the waiver.~~

11 ~~“(H) Renewal. Any waiver in effect under this clause shall be~~
12 ~~subject to annual renewal.~~

13 ~~“(iii) Update. Not later than 1 year after the submission of~~
14 ~~each subsequent report under subparagraph (B), the Secretary-~~
15 ~~shall, out of funds appropriated under subparagraph (A) and~~
16 ~~consistent with such report, update the regulations described in~~
17 ~~clause (i)(I) to reflect appropriate minimum ratios (if any) of~~
18 ~~registered nurses, licensed practical nurses (or licensed-~~
19 ~~vocational nurses), and certified nursing assistants to residents at~~
20 ~~skilled nursing facilities.”.~~

21 ~~Subtitle B—Infrastructure Financing and Community-~~
22 ~~Development~~

23 **SEC. 135001. AMENDMENT OF 1986 CODE.**

24 Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is
25 expressed in terms of an amendment to, or repeal of, a section or other provision, the reference
26 shall be considered to be made to a section or other provision of the Internal Revenue Code of
27 1986.

28 **PART 1—LOW INCOME HOUSING CREDIT**

29 **SEC. 135101. INCREASES IN STATE ALLOCATIONS.**

30 (a) In General.—Section 42(h)(3)(I) is amended to read as follows:

1 **“(I) INCREASE IN STATE HOUSING CREDIT CEILING AFTER 2021.—**

2 **“(i) IN GENERAL.—In the case of calendar years 2022 through 2025, the**
3 **dollar amounts under subclauses (I) and (II) of subparagraph (C)(ii) for any**
4 **such calendar year shall be determined in accordance with the following**
5 **table:**

6 **1“In the case of calendar year:1The subclause (I) amount shall be:1The subclause (II)**
7 **amount shall be:**

8 **2022\$3.14\$3,629,096**

9 **2023\$3.54\$4,081,825**

10 **2024\$3.97\$4,582,053**

11 **2025\$2.65\$3,120,000**

12 **“(ii) INFLATION ADJUSTMENT AFTER 2025.—In the case of calendar years**
13 **after 2025, the subclause (I) and (II) dollar amounts shall be the respective**
14 **dollar amounts corresponding to calendar year 2025 in the table under**
15 **clause (i) each increased by an amount equal to—**

16 **“(I) such dollar amount, multiplied by**

17 **“(II) the cost-of-living adjustment determined under section 1(f)(3) for**
18 **such calendar year by substituting ‘calendar year 2024’ for ‘calendar**
19 **year 2016’ in paragraph (A)(ii) thereof.**

20 **Any increase under this clause shall be rounded to the nearest cent in the**
21 **case of the subclause (I) amount and the nearest dollar in the case of the**
22 **subclause (II) amount.”.**

23 **(b) Effective Date.—The amendments made by this section shall apply to calendar years**
24 **beginning after December 31, 2021.**

25 **SEC. 135102. TAX-EXEMPT BOND FINANCING**
26 **REQUIREMENT.**

27 **(a) In General.—Section 42(h)(4)(B) is amended to read as follows:**

28 **“(B) SPECIAL RULE WHERE A REQUIRED PERCENT OF BUILDINGS IS FINANCED**
29 **WITH TAX-EXEMPT BONDS SUBJECT TO VOLUME CAP.—For purposes of**
30 **subparagraph (A), paragraph (1) shall not apply to any portion of the credit**
31 **allowable under subsection (a) with respect to a building if—**

32 **“(i) 50 percent or more of the aggregate basis of any such building and the**
33 **land on which the building is located is financed by any obligation described**
34 **in subparagraph (A), or**

35 **“(ii) 25 percent or more of the aggregate basis of such building and the**
36 **land on which the building is located is financed by any obligation described**
37 **in subparagraph (A) and issued in calendar year 2022, 2023, 2024, 2025, or**
38 **2026.”.**

1 (b) **Effective Date.**—The amendment made by this section shall apply to any building
2 some portion of which, or of the land on which the building is located, is financed by an
3 obligation which is described in section 42(h)(4)(A) and which is part of an issue the issue
4 date of which is after December 31, 2021.

5 **SEC. 135103. BUILDINGS DESIGNATED TO SERVE** 6 **EXTREMELY LOW-INCOME HOUSEHOLDS.**

7 (a) **Reserved State Allocation.**—

8 (1) **IN GENERAL.**—Section 42(h) is amended—

9 (A) by redesignating paragraphs (6), (7), and (8) as paragraphs (7), (8), and (9),
10 respectively, and

11 (B) by inserting after paragraph (5) the following new paragraph:

12 **“(6) PORTION OF STATE CEILING SET-ASIDE FOR PROJECTS DESIGNATED TO SERVE**
13 **EXTREMELY LOW-INCOME HOUSEHOLDS.—**

14 **“(A) IN GENERAL.—Not more than 92 percent of the portion of the State**
15 **housing credit ceiling amount described in paragraph (3)(C)(ii) for any State for**
16 **any calendar year shall be allocated to buildings other than buildings described in**
17 **subparagraph (B).**

18 **“(B) BUILDINGS DESCRIBED.—A building is described in this subparagraph if 20**
19 **percent or more of the residential units in such building are rent-restricted**
20 **(determined as if the imputed income limitation applicable to such units were 30**
21 **percent of area median gross income) and are designated by the taxpayer for**
22 **occupancy by households the aggregate household income of which does not**
23 **exceed the greater of—**

24 **“(i) 30 percent of area median gross income, or**

25 **“(ii) 100 percent of an amount equal to the Federal poverty line (within the**
26 **meaning of section 36B(d)(3)).**

27 **“(C) EXCEPTION.—A building shall not be treated as described in**
28 **subparagraph (B) if such building is a part of a qualified low-income housing**
29 **project elected by the taxpayer to meet the requirements of subsection (f)(1)(C).**

30 **“(D) STATE MAY NOT OVERRIDE SET-ASIDE.—Nothing in subparagraph (F) of**
31 **paragraph (3) shall be construed to permit a State not to comply with**
32 **subparagraph (A) of this paragraph.”.**

33 (2) **CONFORMING AMENDMENT.**—Section 42(b)(4)(C) is amended by striking “(h)(7)”
34 and inserting “(h)(8)”.

35 (b) **Increase in Credit.**—Paragraph (5) of section 42(d) is amended by adding at the end
36 the following new subparagraph:

37 **“(C) INCREASE IN CREDIT FOR PROJECTS DESIGNATED TO SERVE EXTREMELY**
38 **LOW-INCOME HOUSEHOLDS.—**

39 **“(i) IN GENERAL.—In the case of any building—**

1 **“(I) which is described in subsection (h)(6)(B), and**

2 **“(II) which is designated by the housing credit agency as requiring the**
3 **increase in credit under this subparagraph in order for such building to**
4 **be financially feasible as part of a qualified low-income housing project,**

5 **subparagraph (B) shall not apply to the portion of such building which is**
6 **comprised of such units, and the eligible basis of such portion of the building**
7 **shall be 150 percent of such basis determined without regard to this**
8 **subparagraph.**

9 **“(ii) ALLOCATION RULES APPLICABLE TO PROJECTS TO WHICH CLAUSE (I)**
10 **APPLIES.—**

11 **“(I) STATE HOUSING CREDIT CEILING.—For any calendar year, the**
12 **housing credit agency shall not allocate more than 13 percent of the**
13 **portion of the State housing credit ceiling amount described in**
14 **subsection (h)(3)(C)(ii) to buildings to which clause (i) applies, and**

15 **“(II) PRIVATE ACTIVITY BOND VOLUME CAP.—In the case of projects**
16 **financed by tax-exempt bonds as described in subsection (h)(4), for any**
17 **calendar year, the State shall not issue more than 8 percent of the**
18 **private activity bond volume cap as described in section 146(d)(1) to**
19 **buildings to which clause (i) applies.”.**

20 **(c) Effective Date.—The amendments made by this section shall apply to allocations of**
21 **housing credit dollar amount after December 31, 2021, and to buildings that are described**
22 **in section 42(h)(4)(B) taking into account only obligations that are part of an issue the issue**
23 **date of which is after December 31, 2021.**

24 **SEC. 135104. REPEAL OF QUALIFIED CONTRACT** 25 **OPTION.**

26 **(a) Termination of Option for Certain Buildings.—**

27 **(1) IN GENERAL.—Subclause (II) of section 42(h)(7)(E)(i), as redesignated by section**
28 **135403, is amended by inserting “in the case of a building described in clause (iii),”**
29 **before “on the last day”.**

30 **(2) BUILDINGS DESCRIBED.—Subparagraph (E) of section 42(h)(7), as so**
31 **redesignated, is amended by adding at the end the following new clause:**

32 **“(iii) BUILDINGS DESCRIBED.—A building described in this clause is a**
33 **building—**

34 **“(I) which received its allocation of housing credit dollar amount**
35 **before January 1, 2022, or**

36 **“(II) in the case of a building any portion of which is financed as**
37 **described in paragraph (4), and which received before January 1, 2022,**
38 **under the rules of paragraphs (1) and (2) of subsection (m), a**
39 **determination from the issuer of the tax-exempt bonds or the housing**
40 **credit agency that the building would be eligible under the qualified**

1 allocation plan to receive an allocation of housing credit dollar amount
2 or that the credits to be earned are necessary for financial feasibility of
3 the project and its viability as a qualified low-income housing project
4 throughout the credit period.”.

5 (b) Rules Relating to Existing Projects.—Subparagraph (F) of section 42(h)(7), as
6 redesignated by section 135403, is amended by striking “the nonlow-income portion” and
7 all that follows and inserting “the nonlow-income portion and the low-income portion of
8 the building for fair market value (determined by the housing credit agency by taking into
9 account the rent restrictions required for the low-income portion of the building to
10 continue to meet the standards of paragraphs (1) and (2) of subsection (g)). The Secretary
11 shall prescribe such regulations as may be necessary or appropriate to carry out this
12 paragraph.”.

13 (c) Conforming Amendments.—

14 (1) Paragraph (7) of section 42(h), as redesignated by section 135403, is amended by
15 striking subparagraph (G) and by redesignating subparagraphs (H), (I), (J), and (K)
16 as subparagraphs (G), (H), (I), and (J), respectively.

17 (2) Subclause (II) of section 42(h)(7)(E)(i), as so redesignated and as amended by
18 subsection (a), is further amended by striking “subparagraph (I)” and inserting
19 “subparagraph (H)”.

20 (d) Effective Dates.—

21 (1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by
22 this section shall take effect on the date of the enactment of this Act.

23 (2) SUBSECTION (B).—The amendments made by subsection (b) shall apply to
24 buildings with respect to which a written request described in section 42(h)(7)(H) of
25 the Internal Revenue Code of 1986, as redesignated by section 135403 and subsection
26 (c), is submitted after the date of the enactment of this Act.

27 **SEC. 135105. MODIFICATION AND CLARIFICATION** 28 **OF RIGHTS RELATING TO BUILDING PURCHASE.**

29 (a) Modification of Right of First Refusal.—

30 (1) IN GENERAL.—Subparagraph (A) of section 42(i)(7) is amended by striking “a
31 right of 1st refusal” and inserting “an option”.

32 (2) CONFORMING AMENDMENT.—The heading of paragraph (7) of section 42(i) is
33 amended by striking “RIGHT OF 1ST REFUSAL” and inserting “OPTION”.

34 (b) Clarification With Respect to Right of First Refusal and Purchase Options.—

35 (1) PURCHASE OF PARTNERSHIP INTEREST.—

36 (A) IN GENERAL.—Subparagraph (A) of section 42(i)(7), as amended by
37 subsection (a), is amended by striking “the property” and inserting “the property
38 or all of the partnership interests (other than interests of the person exercising
39 such option or a related party thereto (within the meaning of section 267(b) or

1 707(b)(1))) relating to the property”.

2 **(B) APPLICATION TO S CORPORATIONS AND OTHER PASS-THROUGH**
3 **ENTITIES.—Subparagraph (A) of section 42(i)(7) is amended by adding at the end**
4 **the following: “Except as provided by the Secretary, the rules of this paragraph**
5 **shall apply to S corporations and other pass-through entities in the same manner**
6 **as such rules apply to partnerships.”**

7 **(C) CONFORMING AMENDMENT.—Subparagraph (B) of section 42(i)(7) is**
8 **amended by adding at the end the following: “In the case of a purchase of all of**
9 **the partnership interests, the minimum purchase price under this subparagraph**
10 **shall be an amount not less than the sum of the interests’ shares of the amount**
11 **which would be determined with respect to the property under this subparagraph**
12 **without regard to this sentence.”**

13 **(2) PROPERTY INCLUDES ASSETS RELATING TO THE BUILDING.—Paragraph (7) of**
14 **section 42(i) is amended by adding at the end the following new subparagraph:**

15 **“(C) PROPERTY.—For purposes of subparagraph (A), the term ‘property’ may**
16 **include all or any of the assets held for the development, operation, or**
17 **maintenance of a building.”**

18 **(3) EXERCISE OF RIGHT OF FIRST REFUSAL AND PURCHASE OPTIONS.—Subparagraph**
19 **(A) of section 42(i)(7), as amended by subsection (a) and paragraph (1)(A), is amended**
20 **by adding at the end the following: “For purposes of determining whether an option,**
21 **including a right of first refusal, to purchase property or all of the partnership**
22 **interests holding (directly or indirectly) such property is described in the preceding**
23 **sentence—**

24 **“(i) such option or right of first refusal shall be exercisable with or without**
25 **the approval of any owner of the project (including any partner, member, or**
26 **affiliated organization of such an owner), and**

27 **“(ii) a right of first refusal shall be exercisable in response to any offer to**
28 **purchase the property or all of the partnership interests, including an offer**
29 **by a related party.”**

30 **(c) Other Conforming Amendment.—Subparagraph (B) of section 42(i)(7), as amended**
31 **by subsection (b), is amended by striking “the sum of” and all that follows through**
32 **“application of clause (ii).” and inserting the following: “the principal amount of**
33 **outstanding indebtedness secured by the building (other than indebtedness incurred within**
34 **the 5-year period ending on the date of the sale to the tenants).”**

35 **(d) Effective Dates.—**

36 **(1) MODIFICATION OF RIGHT OF FIRST REFUSAL.—The amendments made by**
37 **subsections (a) and (c) shall apply to agreements entered into or amended after the**
38 **date of the enactment of this Act.**

39 **(2) CLARIFICATION.—The amendments made by subsection (b) shall apply to**
40 **agreements among the owners of the project (including partners, members, and their**
41 **affiliated organizations) and persons described in section 42(i)(7)(A) of the Internal**
42 **Revenue Code of 1986 entered into before, on, or after the date of the enactment of**

1 this Act.

2 (3) **NO EFFECT ON AGREEMENTS.**—None of the amendments made by this section is
3 intended to supersede express language in any agreement with respect to the terms of
4 a right of first refusal or option permitted by section 42(i)(7) of the Internal Revenue
5 Code of 1986 in effect on the date of the enactment of this Act.

6 **PART 2—NEIGHBORHOOD HOMES INVESTMENT** 7 **ACT**

8 **SEC. 135201. NEIGHBORHOOD HOMES CREDIT.**

9 (a) **In General.**—Subpart D of part IV of subchapter A of chapter 1 is amended by
10 inserting after section 42 the following new section:

11 **“SEC. 42A. NEIGHBORHOOD HOMES CREDIT.**

12 “(a) **Allowance of Credit.**—For purposes of section 38, the neighborhood homes credit
13 determined under this section for the taxable year is, with respect to each qualified
14 residence sold by the taxpayer during such taxable year in an affordable sale, the lesser
15 of—

16 “(1) the excess (if any) of—

17 “(A) the reasonable development costs paid or incurred by the taxpayer with
18 respect to such qualified residence, over

19 “(B) the sale price of such qualified residence (reduced by any reasonable
20 expenses paid or incurred by the taxpayer in connection with such sale), or

21 “(2) 35 percent of the lesser of—

22 “(A) the eligible development costs paid or incurred by the taxpayer with
23 respect to such qualified residence, or

24 “(B) 80 percent of the national median sale price for new homes (as determined
25 pursuant to the most recent census data available as of the date on which the
26 neighborhood homes credit agency makes an allocation for the qualified project).

27 “(b) **Development Costs.**—For purposes of this section—

28 “(1) **REASONABLE DEVELOPMENT COSTS.**—

29 “(A) **IN GENERAL.**—The term ‘reasonable development costs’ means amounts
30 paid or incurred for the acquisition of buildings and land, construction,
31 substantial rehabilitation, demolition of structures, or environmental
32 remediation, to the extent that the neighborhood homes credit agency determines
33 that such amounts meet the standards specified pursuant to subsection (f)(1)(C)
34 (as of the date on which construction or substantial rehabilitation is substantially
35 complete, as determined by such agency) and are necessary to ensure the financial
36 feasibility of such qualified residence.

37 “(B) **CONSIDERATIONS IN MAKING DETERMINATION.**—In making the
38 determination under subparagraph (A), the neighborhood homes credit agency

1 shall consider—

2 “(i) the sources and uses of funds and the total financing,

3 “(ii) any proceeds or receipts generated or expected to be generated by
4 reason of tax benefits, and

5 “(iii) the reasonableness of the developmental costs and fees.

6 “(2) ELIGIBLE DEVELOPMENT COSTS.—The term ‘eligible development costs’ means
7 the amount which would be reasonable development costs if the amounts taken into
8 account as paid or incurred for the acquisition of buildings and land did not exceed 75
9 percent of such costs determined without regard to any amount paid or incurred for
10 the acquisition of buildings and land.

11 “(3) SUBSTANTIAL REHABILITATION.—The term ‘substantial rehabilitation’ means
12 amounts paid or incurred for rehabilitation of a qualified residence if such amounts
13 exceed the greater of—

14 “(A) \$20,000, or

15 “(B) 20 percent of the amounts paid or incurred by the taxpayer for the
16 acquisition of buildings and land with respect to such qualified residence.

17 “(4) CONSTRUCTION AND REHABILITATION ONLY AFTER ALLOCATION TAKEN INTO
18 ACCOUNT.—

19 “(A) IN GENERAL.—The terms ‘reasonable development costs’ and ‘eligible
20 development costs’ shall not include any amount paid or incurred before the date
21 on which an allocation is made to the taxpayer under subsection (e) with respect
22 to the qualified project of which the qualified residence is part unless such
23 amount is paid or incurred for the acquisition of buildings or land.

24 “(B) LAND AND BUILDING ACQUISITION COSTS.—Amounts paid or incurred for
25 the acquisition of buildings or land shall be included under paragraph (A) only if
26 paid or incurred not more than 3 years before the date on which the allocation
27 referred to in subparagraph (A) is made. If the taxpayer acquired any building or
28 land from an entity (or any related party to such entity) that holds an ownership
29 interest in the taxpayer, then such entity must also have acquired such property
30 within such 3-year period, and the acquisition cost included under subparagraph
31 (A) with respect to the taxpayer shall not exceed the amount such entity paid or
32 incurred to acquire such property.

33 “(c) Qualified Residence.—For purposes of this section—

34 “(1) IN GENERAL.—The term ‘qualified residence’ means a residence that—

35 “(A) is real property affixed on a permanent foundation,

36 “(B) is—

37 “(i) a house which is comprised of 4 or fewer residential units,

38 “(ii) a condominium unit, or

39 “(iii) a house or an apartment owned by a cooperative housing corporation

1 (as defined in section 216(b)),

2 “(C) is part of a qualified project with respect to the neighborhood homes
3 credit agency has made an allocation under subsection (e), and

4 “(D) is located in a qualified census tract (determined as of the date of such
5 allocation).

6 “(2) QUALIFIED CENSUS TRACT.—

7 “(A) IN GENERAL.—The term ‘qualified census tract’ means a census tract—

8 “(i) which—

9 “(I) has a median family income which does not exceed 80 percent of
10 the median family income for the applicable area,

11 “(II) has a poverty rate that is not less than 130 percent of the poverty
12 rate of the applicable area, and

13 “(III) has a median value for owner-occupied homes that does not
14 exceed the median value for owner-occupied homes in the applicable
15 area,

16 “(ii) which—

17 “(I) is located in a city which has a population of not less than 50,000
18 and such city has a poverty rate that is not less than 150 percent of the
19 poverty rate of the applicable area,

20 “(II) has a median family income which does not exceed the median
21 family income for the applicable area, and

22 “(III) has a median value for owner-occupied homes that does not
23 exceed 80 percent of the median value for owner-occupied homes in the
24 applicable area,

25 “(iii) which—

26 “(I) is located in a nonmetropolitan county,

27 “(II) has a median family income which does not exceed the median
28 family income for the applicable area, and

29 “(III) has been designated by a neighborhood homes credit agency
30 under this clause, or

31 “(iv) which is not otherwise a qualified census tract and is located in a
32 disaster area (as defined in section 7508A(d)(3)), but only with respect to
33 credits allocated in any period during which the President of the United
34 States has determined that such area warrants individual or individual and
35 public assistance by the Federal Government under the Robert T. Stafford
36 Disaster Relief and Emergency Assistance Act.

37 “(B) APPLICABLE AREA.—The term ‘applicable area’ means—

38 “(i) in the case of a metropolitan census tract, the metropolitan area in

1 which such census tract is located, and

2 “(ii) in the case of a census tract other than a census tract described in
3 clause (i), the State.

4 “(d) Affordable Sale.—For purposes of this section—

5 “(1) IN GENERAL.—The term ‘affordable sale’ means a sale to a qualified
6 homeowner of a qualified residence that the neighborhood homes credit agency
7 certifies as meeting the standards promulgated under subsection (f)(1)(D) for a price
8 that does not exceed—

9 “(A) in the case of any qualified residence not described in subparagraph (B),
10 (C), or (D), the amount equal to the product of 4 multiplied by the median family
11 income for the applicable area (as determined pursuant to the most recent census
12 data available as of the date of the contract for such sale),

13 “(B) in the case of a house comprised of 2 residential units, 125 percent of the
14 amount described in subparagraph (A),

15 “(C) in the case of a house comprised of 3 residential units, 150 percent of the
16 amount described in subparagraph (A), or

17 “(D) in the case of a house comprised of 4 residential units, 175 percent of the
18 amount described in subparagraph (A).

19 “(2) QUALIFIED HOMEOWNER.—The term ‘qualified homeowner’ means, with
20 respect to a qualified residence, an individual—

21 “(A) who owns and uses such qualified residence as the principal residence of
22 such individual, and

23 “(B) whose family income (determined as of the date that a binding contract for
24 the affordable sale of such residence is entered into) is 140 percent or less of the
25 median family income for the applicable area in which the qualified residence is
26 located.

27 “(e) Credit Ceiling and Allocations.—

28 “(1) CREDIT LIMITED BASED ON ALLOCATIONS TO QUALIFIED PROJECTS.—

29 “(A) IN GENERAL.—The credit allowed under subsection (a) to any taxpayer for
30 any taxable year with respect to one or more qualified residences which are part
31 of the same qualified project shall not exceed the excess (if any) of—

32 “(i) the amount allocated by the neighborhood homes credit agency under
33 this paragraph to such taxpayer with respect to such qualified project, over

34 “(ii) the aggregate amount of credit allowed under subsection (a) to such
35 taxpayer with respect to qualified residences which are a part of such
36 qualified project for all prior taxable years.

37 “(B) DEADLINE FOR COMPLETION.—No credit shall be allowed under subsection
38 (a) with respect to any qualified residence unless the affordable sale of such
39 residence is during the 5-year period beginning on the date of the allocation to the
40 qualified project of which such residence is a part (or, in the case of a qualified

1 residence to which subsection (i) applies, the rehabilitation of such residence is
2 completed during such 5-year period).

3 **“(2) LIMITATIONS ON ALLOCATIONS TO QUALIFIED PROJECTS.—**

4 **“(A) ALLOCATIONS LIMITED BY STATE NEIGHBORHOOD HOMES CREDIT**
5 **CEILING.—**The aggregate amount allocated to taxpayers with respect to qualified
6 projects by the neighborhood homes credit agency of any State for any calendar
7 year shall not exceed the State neighborhood homes credit amount of such State
8 for such calendar year.

9 **“(B) SET-ASIDE FOR CERTAIN PROJECTS INVOLVING QUALIFIED NONPROFIT**
10 **ORGANIZATIONS.—**Rules similar to the rules of section 42(h)(5) shall apply for
11 purposes of this section.

12 **“(3) DETERMINATION OF STATE NEIGHBORHOOD HOMES CREDIT CEILING.—**

13 **“(A) IN GENERAL.—**The State neighborhood homes credit amount for a State
14 for a calendar year is an amount equal to the sum of—

15 **“(i) the greater of—**

16 **“(I) the product of \$3 (\$6 in the case of calendar year 2025),**
17 **multiplied by the State population (determined in accordance with**
18 **section 146(j)), or**

19 **“(II) \$4,000,000 (\$8,000,000 in the case of calendar year 2025), and**

20 **“(ii) any amount previously allocated to any taxpayer with respect to any**
21 **qualified project by the neighborhood homes credit agency of such State**
22 **which can no longer be allocated to any qualified residence because the**
23 **5-year period described in paragraph (1)(B) expires during calendar year.**

24 **“(B) TERMINATION OF ADDITIONAL AMOUNTS.—**The amount determined under
25 subparagraph (A)(i) shall be zero with respect to any calendar year beginning
26 after December 31, 2025.

27 **“(C) 3-YEAR CARRYFORWARD OF UNUSED LIMITATION.—**The State neighborhood
28 homes credit amount for a State for a calendar year shall be increased by the
29 excess (if any) of the State neighborhood homes credit amount for such State for
30 the preceding calendar year over the aggregate amount allocated by the
31 neighborhood homes credit agency of such State during such preceding calendar
32 year. Any amount carried forward under the preceding sentence shall not be
33 carried past the third calendar year after the calendar year in which such credit
34 amount originally arose, determined on a first-in, first-out basis.

35 **“(f) Responsibilities of Neighborhood Homes Credit Agencies.—**

36 **“(1) IN GENERAL.—**Notwithstanding subsection (e), the State neighborhood homes
37 credit dollar amount shall be zero for a calendar year unless the neighborhood homes
38 credit agency of the State—

39 **“(A) allocates such amount pursuant to a qualified allocation plan of the**
40 **neighborhood homes credit agency,**

1 **“(B) allocates not more than 20 percent of amounts allocated in the previous**
2 **year (or for allocations made in 2022, not more than 20 percent of the**
3 **neighborhood homes credit ceiling for such year) to projects with respect to**
4 **qualified residences which—**

5 **“(i) are located in census tracts described in subsection (c)(2)(A)(iii),**
6 **(c)(2)(A)(iv), (i)(5), or**

7 **“(ii) are not located in a qualified census tract but meet the requirements**
8 **of (i)(8),**

9 **“(C) promulgates standards with respect to reasonable qualified development**
10 **costs and fees,**

11 **“(D) promulgates standards with respect to construction quality,**

12 **“(E) in the case of any neighborhood homes credit agency which makes an**
13 **allocation to a qualified project which includes any qualified residence to which**
14 **subsection (i) applies, promulgates standards with respect to protecting the**
15 **owners of such residences, including the capacity of such owners to pay**
16 **rehabilitation costs not covered by the credit provided by this section and**
17 **providing for the disclosure to such owners of their rights and responsibilities**
18 **with respect to the rehabilitation of such residences, and**

19 **“(F) submits to the Secretary (at such time and in such manner as the Secretary**
20 **may prescribe) an annual report specifying—**

21 **“(i) the amount of the neighborhood homes credits allocated to each**
22 **qualified project for the previous year,**

23 **“(ii) with respect to each qualified residence completed in the preceding**
24 **calendar year—**

25 **“(I) the census tract in which such qualified residence is located,**

26 **“(II) with respect to the qualified project that includes such qualified**
27 **residence, the year in which such project received an allocation under**
28 **this section,**

29 **“(III) whether such qualified residence was new, substantially**
30 **rehabilitated and sold to a qualified homeowner, or substantially**
31 **rehabilitated pursuant to subsection (i),**

32 **“(IV) the eligible development costs of such qualified residence,**

33 **“(V) the amount of the neighborhood homes credit with respect to**
34 **such qualified residence,**

35 **“(VI) the sales price of such qualified residence, if applicable, and**

36 **“(VII) the family income of the qualified homeowner (expressed as a**
37 **percentage of the applicable area median family income for the location**
38 **of the qualified residence), and**

39 **“(iii) such other information as the Secretary may require.**

1 **“(2) QUALIFIED ALLOCATION PLAN.—**For purposes of this subsection, the term
2 **‘qualified allocation plan’** means any plan which—

3 **“(A) sets forth the selection criteria to be used to prioritize qualified projects**
4 **for allocations of State neighborhood homes credit dollar amounts, including—**

5 **“(i) the need for new or substantially rehabilitated owner-occupied homes**
6 **in the area addressed by the project,**

7 **“(ii) the expected contribution of the project to neighborhood stability and**
8 **revitalization, including the impact on neighborhood residents,**

9 **“(iii) the capability and prior performance of the project sponsor, and**

10 **“(iv) the likelihood the project will result in long-term homeownership,**

11 **“(B) has been made available for public comment, and**

12 **“(C) provides a procedure that the neighborhood homes credit agency (or any**
13 **agent or contractor of such agency) shall follow for purposes of—**

14 **“(i) identifying noncompliance with any provisions of this section, and**

15 **“(ii) notifying the Internal Revenue Service of any such noncompliance of**
16 **which the agency becomes aware.**

17 **“(g) Repayment.—**

18 **“(1) IN GENERAL.—**

19 **“(A) SOLD DURING 5-YEAR PERIOD.—**If a qualified residence is sold during the
20 **5-year period beginning immediately after the affordable sale of such qualified**
21 **residence referred to in subsection (a), the seller (with respect to the sale during**
22 **such 5-year period) shall transfer an amount equal to the repayment amount to**
23 **the relevant neighborhood homes credit agency.**

24 **“(B) USE OF REPAYMENTS.—**A neighborhood homes credit agency shall use any
25 **amount received pursuant to subparagraph (A) only for purposes of qualified**
26 **projects.**

27 **“(2) REPAYMENT AMOUNT.—**For purposes of paragraph (1)(A), the repayment
28 **amount is an amount equal to 50 percent of the gain from the sale to which the**
29 **repayment relates, reduced by 20 percent for each year of the 5-year period referred**
30 **to in paragraph (1)(A) which ends before the date of such sale.**

31 **“(3) LIEN FOR REPAYMENT AMOUNT.—**A neighborhood homes credit agency
32 **receiving an allocation under this section shall place a lien on each qualified residence**
33 **that is built or rehabilitated as part of a qualified project for an amount such agency**
34 **deems necessary to ensure potential repayment pursuant to paragraph (1)(A).**

35 **“(4) DENIAL OF DEDUCTIONS IF CONVERTED TO RENTAL HOUSING.—**If, during the
36 **5-year period described in paragraph (1), an individual who owns a qualified**
37 **residence fails to use such qualified residence as such individual’s principal residence**
38 **for any period of time, no deduction shall be allowed for expenses paid or incurred by**
39 **such individual with respect to renting, during such period of time, such qualified**
40 **residence.**

1 **“(5) WAIVER.—The neighborhood homes credit agency may waive the repayment**
2 **required under paragraph (1)(A) in the case of homeowner experiencing a hardship.**

3 **“(h) Other Definitions and Special Rules.—For purposes of this section—**

4 **“(1) NEIGHBORHOOD HOMES CREDIT AGENCY.—The term ‘neighborhood homes**
5 **credit agency’ means the agency designated by the governor of a State as the**
6 **neighborhood homes credit agency of the State.**

7 **“(2) QUALIFIED PROJECT.—The term ‘qualified project’ means a project that a**
8 **neighborhood homes credit agency certifies will build or substantially rehabilitate one**
9 **or more qualified residences.**

10 **“(3) DETERMINATIONS OF FAMILY INCOME.—Rules similar to the rules of section**
11 **143(f)(2) shall apply for purposes of this section.**

12 **“(4) POSSESSIONS TREATED AS STATES.—The term ‘State’ includes the District of**
13 **Columbia and the possessions of the United States.**

14 **“(5) SPECIAL RULES RELATED TO CONDOMINIUMS AND COOPERATIVE HOUSING**
15 **CORPORATIONS.—**

16 **“(A) DETERMINATION OF DEVELOPMENT COSTS.—In the case of a qualified**
17 **residence described in clause (ii) or (iii) of subsection (c)(1)(A), the reasonable**
18 **development costs and eligible development costs of such qualified residence shall**
19 **be an amount equal to such costs, respectively, of the entire condominium or**
20 **cooperative housing property in which such qualified residence is located,**
21 **multiplied by a fraction—**

22 **“(i) the numerator of which is the total floor space of such qualified**
23 **residence, and**

24 **“(ii) the denominator of which is the total floor space of all residences**
25 **within such property.**

26 **“(B) TENANT-STOCKHOLDERS OF COOPERATIVE HOUSING CORPORATIONS**
27 **TREATED AS OWNERS.—In the case of a cooperative housing corporation (as such**
28 **term is defined in section 216(b)), a tenant-stockholder shall be treated as owning**
29 **the house or apartment which such person is entitled to occupy.**

30 **“(6) RELATED PARTY SALES NOT TREATED AS AFFORDABLE SALES.—**

31 **“(A) IN GENERAL.—A sale between related persons shall not be treated as an**
32 **affordable sale.**

33 **“(B) RELATED PERSONS.—For purposes of this paragraph, a person (in this**
34 **subparagraph referred to as the ‘related person’) is related to any person if the**
35 **related person bears a relationship to such person specified in section 267(b) or**
36 **707(b)(1), or the related person and such person are engaged in trades or**
37 **businesses under common control (within the meaning of subsections (a) and (b)**
38 **of section 52). For purposes of the preceding sentence, in applying section 267(b)**
39 **or 707(b)(1), ‘10 percent’ shall be substituted for ‘50 percent’.**

40 **“(7) INFLATION ADJUSTMENT.—**

1 **“(A) IN GENERAL.—In the case of a calendar year after 2022, the dollar**
2 **amounts in subsections (b)(3)(A), (e)(3)(A)(i)(I), (e)(3)(A)(i)(II), and (i)(2)(C) shall**
3 **each be increased by an amount equal to—**

4 **“(i) such dollar amount, multiplied by**

5 **“(ii) the cost-of-living adjustment determined under section 1(f)(3) for such**
6 **calendar year by substituting ‘calendar year 2021’ for ‘calendar year 2016’**
7 **in subparagraph (A)(ii) thereof.**

8 **“(B) ROUNDING.—**

9 **“(i) In the case of the dollar amounts in subsection (b)(3)(A) and (i)(2)(C),**
10 **any increase under paragraph (1) which is not a multiple of \$1,000 shall be**
11 **rounded to the nearest multiple of \$1,000.**

12 **“(ii) In the case of the dollar amount in subsection (e)(3)(A)(i)(I), any**
13 **increase under paragraph (1) which is not a multiple of \$0.01 shall be**
14 **rounded to the nearest multiple of \$0.01.**

15 **“(iii) In the case of the dollar amount in subsection (e)(3)(A)(i)(II), any**
16 **increase under paragraph (1) which is not a multiple of \$100,000 shall be**
17 **rounded to the nearest multiple of \$100,000.**

18 **“(8) REPORT.—**

19 **“(A) IN GENERAL.—The Secretary shall annually issue a report, to be made**
20 **available to the public, which contains the information submitted pursuant to**
21 **subsection (f)(1)(F).**

22 **“(B) DE-IDENTIFICATION.—The Secretary shall ensure that any information**
23 **made public pursuant to paragraph (1) excludes any information that would**
24 **allow for the identification of qualified homeowners.**

25 **“(9) LIST OF QUALIFIED CENSUS TRACTS.—The Secretary of Housing and Urban**
26 **Development shall, for each year, make publicly available a list of qualified census**
27 **tracts under—**

28 **“(A) on a combined basis, clauses (i) and (ii) of subsection (c)(2)(A),**

29 **“(B) clause (iii) of such subsection, and**

30 **“(C) subsection (i)(5)(A).**

31 **“(i) Application of Credit With Respect to Owner-occupied Rehabilitations.—**

32 **“(1) IN GENERAL.—In the case of a qualified rehabilitation by the taxpayer of any**
33 **qualified residence which is owned (as of the date that the written binding contract**
34 **referred to in paragraph (3) is entered into) by a specified homeowner, the rules of**
35 **paragraphs (2) through (7) shall apply.**

36 **“(2) ALTERNATIVE CREDIT DETERMINATION.—In the case of any qualified residence**
37 **described in paragraph (1), the neighborhood homes credit determined under**
38 **subsection (a) with respect to such residence shall (in lieu of any credit otherwise**
39 **determined under subsection (a) with respect to such residence) be allowed in the**
40 **taxable year during which the qualified rehabilitation is completed (as determined by**

1 the neighborhood homes credit agency) and shall be equal to the least of—

2 “(A) the excess (if any) of—

3 “(i) the amounts paid or incurred by the taxpayer for the qualified
4 rehabilitation of the qualified residence to the extent that such amounts are
5 certified by the neighborhood homes credit agency (at the time of the
6 completion of such rehabilitation) as meeting the standards specified
7 pursuant to subsection (f)(1)(C), over

8 “(ii) any amounts paid to such taxpayer for such rehabilitation,

9 “(B) 50 percent of the amounts described in subparagraph (A)(i), or

10 “(C) \$50,000.

11 “(3) QUALIFIED REHABILITATION.—

12 “(A) IN GENERAL.—For purposes of this subsection, the term ‘qualified
13 rehabilitation’ means a rehabilitation or reconstruction performed pursuant to a
14 written binding contract between the taxpayer and the qualified homeowner if the
15 amount paid or incurred by the taxpayer in the performance of such
16 rehabilitation or reconstruction exceeds the dollar amount in effect under
17 subsection (b)(3)(A).

18 “(B) APPLICATION OF LIMITATION TO EXPENSES PAID OR INCURRED AFTER
19 ALLOCATION.—A rule similar to the rule of section (b)(4) shall apply for purposes
20 of this subsection.

21 “(4) SPECIFIED HOMEOWNER.—For purposes of this subsection, the term ‘qualified
22 homeowner’ means, with respect to a qualified residence, an individual—

23 “(A) who owns and uses such qualified residence as the principal residence of
24 such individual as of the date that the written binding contract referred to in
25 paragraph (3) is entered into, and

26 “(B) whose family income (determined as of such date) does not exceed the
27 median family income for the applicable area (with respect to the census tract in
28 which the qualified residence is located).

29 “(5) ADDITIONAL CENSUS TRACTS IN WHICH OWNER-OCCUPIED RESIDENCES MAY BE
30 LOCATED.—In the case of any qualified residence described in paragraph (1), the term
31 ‘qualified census tract’ includes any census tract which—

32 “(A) meets the requirements of subsection (c)(2)(A)(i) without regard to
33 subclause (III) thereof, and

34 “(B) is designated by the neighborhood homes credit agency for purposes of
35 this paragraph.

36 “(6) MODIFICATION OF REPAYMENT REQUIREMENT.—In the case of any qualified
37 residence described in paragraph (1), subsection (g) shall be applied by beginning the
38 5-year period otherwise described therein on the date on which the qualified owner
39 acquired the residence.

40 “(7) RELATED PARTIES.—Paragraph (1) shall not apply if the taxpayer is the owner

1 of the qualified residence described in paragraph (1) or is related (within the meaning
2 of subsection (h)(6)(B)) to such owner.

3 “(8) PYRRHOTITE REMEDIATION.—The requirement of subsection (c)(1)(C) shall not
4 apply to a qualified rehabilitation under this subsection of a qualified residence that is
5 documented by an engineer’s report and core testing to have a foundation that is
6 adversely impacted by pyrrhotite or other iron sulfide minerals.

7 “(j) Regulations.—The Secretary shall prescribe such regulations as may be necessary or
8 appropriate to carry out the purposes of this section, including regulations that prevent
9 avoidance of the rules, and abuse of the purposes, of this section.”.

10 (b) Credit Allowed as Part of General Business Credit.—Section 38(b), as amended by
11 the preceding provisions of this Act, is amended by striking “plus” at the end of paragraph
12 (34), by striking the period at the end of paragraph (35) and inserting “, plus”, and by
13 adding at the end the following new paragraph:

14 “(36) the neighborhood homes credit determined under section 42A(a),”.

15 (c) Credit Allowed Against Alternative Minimum Tax.—Section 38(c)(4)(B), as amended
16 by the preceding provisions of this Act, is amended by redesignating clauses (iv) through
17 (xiii) as clauses (v) through (xiv), respectively, and by inserting after clause (iii) the
18 following new clause:

19 “(iv) the credit determined under section 42A,”.

20 (d) Conforming Amendments.—

21 (1) Subsections (i)(3)(C), (i)(6)(B)(i), and (k)(1) of section 469 are each amended by
22 inserting “or 42A” after “section 42”.

23 (2) The table of sections for subpart D of part IV of subchapter A of chapter 1 is
24 amended by inserting after the item relating to section 42 the following new item:

25 “Sec.42A.Neighborhood homes credit.”.

26 ** 3 (d)(e) Effective Date.—The amendment amendments made by this section shall apply to
27 taxable years beginning after December 31, 2021.

28 ~~SEC. 135002~~ **PART 3—INVESTMENTS IN TRIBAL**
29 **INFRASTRUCTURE**

30 **SEC. 135301. TREATMENT OF INDIAN TRIBES AS**
31 **STATES WITH RESPECT TO BOND ISSUANCE.**

32 (a) In General.—Section 7871(c) is amended to read as follows:

33 “(c) Special Rules for Tax-exempt Bonds.—

34 “(1) IN GENERAL.—In applying section 146 to bonds issued by Indian Tribal
35 Governments the Secretary shall annually—

36 “(A) establish a national bond volume cap based on the greater of—

37 “(i) the State population formula approach in section 146(d)(1)(A) (using

1 national Tribal population estimates supplied annually by the Department of
2 the Interior in consultation with the Census Bureau), and

3 “(ii) the minimum State ceiling amount in section 146(d)(1)(B) (as adjusted
4 in accordance with the cost of living provision in section 146(d)(2)), and

5 “(B) allocate such national bond volume cap among all Indian Tribal
6 Governments seeking such an allocation in a particular year under regulations
7 prescribed by the Secretary.

8 “(2) APPLICATION OF GEOGRAPHIC RESTRICTION.—In the case of national bond
9 volume cap allocated under paragraph (1), section 146(k)(1) shall not apply to the
10 extent that such cap is used with respect to financing for a facility located on qualified
11 Indian lands.

12 “(3) RESTRICTION ON FINANCING OF CERTAIN GAMING FACILITIES.—No portion of the
13 volume cap allocated under this subsection may be used with respect to the financing
14 of any portion of a building in which class II or class III gaming (as defined in section
15 4 of the Indian Gaming Regulatory Act) is conducted or housed or any property
16 actually used in the conduct of such gaming.

17 “(4) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

18 “(A) INDIAN TRIBAL GOVERNMENT.—The term ‘Indian Tribal Government’
19 means the governing body of an Indian Tribe, band, nation, or other organized
20 group or community, or of Alaska Natives, which is recognized as eligible for the
21 special programs and services provided by the United States to Indians because of
22 their status as Indians, and also includes any agencies, instrumentalities or
23 political subdivisions thereof.

24 “(B) INTERTRIBAL CONSORTIUMS, ETC.—In any case in which an Indian Tribal
25 Government has authorized an intertribal consortium, a Tribal organization, or
26 an Alaska Native regional or village corporation, as defined in, or established
27 pursuant to, the Alaska Native Claims Settlement Act, to plan for, coordinate or
28 otherwise administer services, finances, functions, or activities on its behalf under
29 this subsection, the authorized entity shall have the rights and responsibilities of
30 the authorizing Indian Tribal Government only to the extent provided in the
31 Authorizing resolution.

32 “(C) QUALIFIED INDIAN LANDS.—The term ‘qualified Indian lands’ shall mean
33 an Indian reservation as defined in section 3(d) of the Indian Financing Act of
34 1974 (25 U.S.C. 1452(d)), including lands which are within the jurisdictional area
35 of an Oklahoma Indian Tribe (as determined by the Secretary of the Interior) and
36 shall include lands outside a reservation where the facility is to be placed in
37 service in connection with—

38 “(i) the active conduct of a trade or business by an Indian Tribe on,
39 contiguous to, within reasonable proximity of, or with a substantial
40 connection to, an Indian reservation or Alaska Native village, or

41 “(ii) infrastructure (including roads, power lines, water systems, railroad
42 spurs, and communication facilities) serving an Indian reservation or Alaska

1 Native village.”.

2 (b) **Conforming Amendment.**—Subparagraph (B) of section 45(c)(9) is amended to read
3 as follows:

4 “(B) **INDIAN TRIBE.**—For purposes of this paragraph, the term ‘Indian tribe’
5 has the meaning given the term ‘Indian Tribal Government’ by section
6 7871(c)(3)(A).”.

7 (c) **Effective Date.**—The amendments made by this section shall apply to obligations
8 issued in calendar years beginning after the date of the enactment of this Act.

9 **SEC. 135302. NEW MARKETS TAX CREDIT FOR**
10 **TRIBAL STATISTICAL AREAS.**

11 (a) **Additional Allocations for Tribal Statistical Areas.**—Section 45D(f) is amended by
12 adding at the end the following new paragraph:

13 “(5) **ADDITIONAL ALLOCATIONS FOR TRIBAL STATISTICAL AREAS.**—

14 “(A) **IN GENERAL.**—In the case of calendar years 2022 through 2025, there is (in
15 addition to any limitation under any other paragraph of this subsection) a new
16 markets tax credit limitation of \$175,000,000 which shall be allocated by the
17 Secretary as provided in paragraph (2) except that such limitation may only be
18 allocated with respect to Tribal Statistical Areas.

19 “(B) **CARRYOVER OF UNUSED TRIBAL STATISTICAL AREA LIMITATION.**—

20 “(i) **IN GENERAL.**—If the credit limitation under subparagraph (A) for any
21 calendar year exceeds the amount of such limitation allocated by the
22 Secretary for such calendar year, such limitation for the succeeding calendar
23 year shall be increased by the amount of such excess.

24 “(ii) **LIMITATION ON CARRYOVER.**—No amount of credit limitation may be
25 carried under clause (i) past the 5th calendar year following the calendar
26 year in which such amount of credit limitation arose.

27 “(iii) **TRANSFER OF EXPIRED TRIBAL STATISTICAL AREA LIMITATION TO**
28 **GENERAL LIMITATION.**—In the case of any amount of credit limitation which
29 would (but for clause (ii)) be carried under clause (i) to the 6th calendar year
30 following the calendar year in which such amount of credit limitation arose,
31 the new market tax credit limitation under paragraph (1) for such 6th
32 calendar year shall be increased by the amount of such credit limitation,
33 except that no such increase shall be made for any calendar year after 2030.

34 “(C) **TRIBAL STATISTICAL AREA.**—For purposes of this paragraph, the term
35 ‘Tribal Statistical Area’ means—

36 “(i) any low-income community which is located in any Tribal Census
37 Tract, Oklahoma Tribal Statistical Area, Tribal-Designated Statistical Area,
38 Alaska Native Village Statistical Area, or Hawaiian Home Land, and

39 “(ii) any low-income community described in subsection (e)(1)(B).”.

1 (b) Eligibility of Certain Projects Serving Tribal Members.—Section 45D(e)(1) is
2 amended to read as follows:

3 “(1) IN GENERAL.—The term ‘low-income community’ means any area—

4 “(A) comprising a population census tract if—

5 “(i) the poverty rate for such tract is at least 20 percent, or

6 “(ii)(I) in the case of a tract not located within a metropolitan area, the
7 median family income for such tract does not exceed 80 percent of statewide
8 median family income, or

9 “(II) in the case of a tract located within a metropolitan area, the median
10 family income for such tract does not exceed 80 percent of the greater of
11 statewide median family income or the metropolitan area median family
12 income,

13 “(B) which is used for a qualified active low-income community business
14 which—

15 “(i) services a significant population of Tribal or Alaska Native Village
16 members who are residents of a low-income community described in
17 subsection (f)(5)(C)(i), and

18 “(ii) obtains a written statement from the relevant Indian Tribal
19 Government (within the meaning of section 7871(c)) that documents the
20 eligibility such project with respect to the requirement of clause (i).

21 Subparagraph (A)(ii) shall be applied using possession wide median family income in
22 the case of census tracts located within a possession of the United States.”.

23 (c) Coordination With Existing Carryover.—Section 45D(f)(3) is amended—

24 (1) is amended by inserting “under paragraph (1)” after “new markets tax credit
25 limitation”, and

26 (2) by striking “the aggregate amount allocated” and inserting “the amount of such
27 limitation allocated by the Secretary”.

28 (d) Regulatory Authority.—Section 45D(i) is amended by striking “and” at the end of
29 paragraph (5), by striking the period at the end of paragraph (6) and inserting “, and”, and
30 by adding at the end the following new paragraph:

31 “(7) which provide documentation requirements for the written statement required
32 under subsection (e)(1)(B)(ii), and

33 “(8) which provide procedures for determining which projects under subsection
34 (e)(1)(B) are qualified active low-income community businesses with respect to the
35 populations described in such subsection. Such procedures shall take into account the
36 location needs of such projects, especially with respect to projects that serve multiple
37 tribal or Alaska Native Village communities.”.

38 (e) Effective Date.—The amendments made by this section shall apply to new markets
39 tax credit limitation determined for calendar years after December 31, 2021.

1 **SEC. 135303. INCLUSION OF INDIAN AREAS AS**
2 **DIFFICULT DEVELOPMENT AREAS FOR PURPOSES**
3 **OF CERTAIN BUILDINGS.**

4 (a) **In General.**—Subclause (I) of section 42(d)(5)(B)(iii) is amended by inserting “, or
5 any Indian area” before the period at the end.

6 (b) **Indian Area.**—Clause (iii) of section 42(d)(5)(B) is amended by redesignating
7 subclause (II) as subclause (IV) and by inserting after subclause (I) the following new
8 subclauses:

9 “(II) **INDIAN AREA.**—For purposes of subclause (I), the term ‘Indian
10 area’ means any Indian area (as defined in section 4(11) of the Native
11 American Housing Assistance and Self Determination Act of 1996 (25
12 U.S.C. 4103(11))).

13 “(III) **SPECIAL RULE FOR BUILDINGS IN INDIAN AREAS.**—In the case of
14 an area which is a difficult development area solely because it is an
15 Indian area, a building shall not be treated as located in such area unless
16 such building is assisted or financed under the Native American
17 Housing Assistance and Self Determination Act of 1996 (25 U.S.C. 4101
18 et seq.) or the project sponsor is an Indian tribe (as defined in section
19 45A(c)(6)), a tribally designated housing entity (as defined in section
20 4(22) of such Act (25 U.S.C. 4103(22))), or wholly owned or controlled by
21 such an Indian tribe or tribally designated housing entity.”.

22 (c) **Effective Date.**—The amendments made by this section shall apply to buildings
23 placed in service after December 31, 2021.

24 **PART 4—OTHER PROVISIONS**

25 **SEC. 135401. POSSESSIONS ECONOMIC ACTIVITY**
26 **CREDIT.**

27 (a) **In General.**—Subpart D of part IV of subchapter A of chapter 1, as amended by the
28 preceding provisions of this Act, is amended by adding at the end the following new section:

29 **“SEC. 45V. POSSESSIONS ECONOMIC ACTIVITY**
30 **CREDIT.**

31 “(a) **Allowance of Credit.**—For purposes of section 38, in the case of a qualified domestic
32 corporation the possessions economic activity credit determined under this section for a taxable
33 year is an amount equal to 20 percent of the sum of the qualified possession wages and allocable
34 employee fringe benefit expenses paid or incurred by the taxpayer for the taxable year.

35 “(b) **Qualified Domestic Corporation; Qualified Corporation.**—For purposes of this section—

36 “(1) **IN GENERAL.**—The term ‘qualified domestic corporation’ means any domestic
37 corporation which is—

1 “(A) a qualified corporation, or
2 “(B) a United States shareholder of a foreign corporation which—
3 “(i) is a qualified corporation, and
4 “(ii) is wholly owned by the United States shareholder together with any
5 corporations which are members of the same affiliated group (within the meaning
6 of section 1504(a)) as such United States shareholder.

7 “(2) QUALIFIED CORPORATION.—The term ‘qualified corporation’ means any corporation
8 if such corporation meets the following requirements:

9 “(A) SOURCE QUALIFICATION.—80 percent or more of the gross income of the
10 corporation for the 3-year period immediately preceding the close of the taxable year
11 (or for such part of such period immediately preceding the close of such taxable year
12 as may be applicable) was derived from sources within a possession of the United
13 States (determined without regard to section 904(f)).

14 “(B) TRADE OR BUSINESS QUALIFICATION.—75 percent or more of the gross income
15 of the corporation for such period or such part thereof was derived from the active
16 conduct of a trade or business within a possession of the United States.

17 “(3) SPECIAL RULE FOR SEPARATE AND CLEARLY IDENTIFIED UNITS OF FOREIGN
18 CORPORATIONS.—

19 “(A) IN GENERAL.—In the case of a United States shareholder of a foreign
20 corporation which—

21 “(i) is not a qualified corporation but with respect to which the ownership
22 requirements of paragraph (1)(B)(ii) are met, and

23 “(ii) has an eligible foreign business unit which, if such unit were a corporation,
24 would be a qualified corporation with respect to which such ownership
25 requirements would be met,

26 then, for purposes of this section, the United States shareholder may elect to treat such
27 unit as a separate foreign corporation which meets the requirements of paragraph
28 (1)(B) and with respect to which such shareholder is a United States shareholder.

29 “(B) ELIGIBLE FOREIGN BUSINESS UNIT.—For purposes of this paragraph, the term
30 ‘eligible foreign business unit’ means a separate and clearly identified foreign unit of a
31 trade or business, including a partnership or an entity treated as disregarded as a
32 separate entity from its owner (under section 7701 or other provision under this title),
33 which maintains separate books and records.

34 “(C) SPECIAL ELECTION FOR AFFILIATED GROUPS.—In the case of an affiliated group
35 described in paragraph (1)(B)(ii), the election under subparagraph (A) with respect to
36 any eligible foreign business unit shall be made by the common parent of such group
37 and shall apply uniformly to all members of such group which are United States
38 shareholders with respect to the foreign corporation which has such unit.

39 “(c) Qualified Possession Wages.—For purposes of this section—

40 “(1) IN GENERAL.—The term ‘qualified possession wages’ means wages paid or incurred

1 by the qualified corporation during the taxable year in connection with the active conduct of
2 a trade or business within a possession of the United States to any employee for services
3 performed in such possession, but only if such services are performed while the principal
4 place of employment of such employee is within such possession.

5 “(2) LIMITATION ON AMOUNT OF WAGES TAKEN INTO ACCOUNT.—

6 “(A) IN GENERAL.—The amount of wages which may be taken into account under
7 paragraph (1) with respect to any employee for any taxable year shall not exceed
8 \$50,000.

9 “(B) TREATMENT OF PART-TIME EMPLOYEES, ETC.—If—

10 “(i) any employee is not employed by the qualified corporation on a
11 substantially full-time basis at all times during the taxable year, or

12 “(ii) the principal place of employment of any employee with the qualified
13 corporation is not within a possession at all times during the taxable year,

14 the limitation applicable under paragraph (1) with respect to such employee shall be
15 the appropriate portion (as determined by the Secretary) of the limitation which would
16 otherwise be in effect under paragraph (1).

17 “(C) WAGES.—

18 “(i) IN GENERAL.—Except as provided in clause (ii), the term ‘wages’ has the
19 meaning given to such term by subsection (b) of section 3306 (determined
20 without regard to any dollar limitation contained in such section). For purposes of
21 the preceding sentence, such subsection (b) shall be applied as if the term ‘United
22 States’ included all possessions of the United States.

23 “(ii) SPECIAL RULE FOR AGRICULTURAL LABOR AND RAILWAY LABOR.—In any
24 case to which subparagraph (A) or (B) of paragraph (1) of section 51(h) applies,
25 the term ‘wages’ has the meaning given to such term by section 51(h)(2).

26 “(3) ALLOCABLE EMPLOYEE FRINGE BENEFIT EXPENSES.—

27 “(A) IN GENERAL.—The allocable employee fringe benefit expenses of any qualified
28 corporation for any taxable year is an amount which bears the same ratio to the amount
29 determined under subparagraph (B) for such taxable year as—

30 “(i) the aggregate amount of the qualified corporation’s qualified possession
31 wages for such taxable year, bears to

32 “(ii) the aggregate amount of the wages paid or incurred by such qualified
33 corporation during such taxable year.

34 In no event shall the amount determined under the preceding sentence exceed 15
35 percent of the amount referred to in clause (i).

36 “(B) EXPENSES TAKEN INTO ACCOUNT.—For purposes of subparagraph (A), the
37 amount determined under this subparagraph for any taxable year is the aggregate
38 amount allowable (or, in the case of a foreign corporation, which would be allowable if
39 such foreign corporation were a domestic corporation) as a deduction under this
40 chapter to the qualified corporation for such taxable year with respect to—

1 “(i) employer contributions under a stock bonus, pension, profit-sharing, or
2 annuity plan,

3 “(ii) employer-provided coverage under any accident or health plan for
4 employees, and

5 “(iii) the cost of life or disability insurance provided to employees.

6 Any amount treated as wages under paragraph (2)(C) shall not be taken into account
7 under this subparagraph.

8 “(d) Special Rule for Qualified Small Domestic Corporation.—For purposes of this section—

9 “(1) INCREASED CREDIT PERCENTAGE.—In the case of a qualified small domestic
10 corporation, subsection (a) shall be applied by substituting ‘50 percent’ for ‘20 percent’.

11 “(2) QUALIFIED SMALL DOMESTIC CORPORATION.—

12 “(A) IN GENERAL.—The term ‘qualified small domestic corporation’ means a
13 qualified domestic corporation that meets the requirements of subparagraphs (B) and
14 (C).

15 “(B) FULL-TIME EMPLOYMENT.—A qualified domestic corporation meets the
16 requirements of this subparagraph if the qualified corporation which is the qualified
17 domestic corporation under subsection (b)(1)(A) or the foreign corporation under
18 subsection (b)(1)(B)(i)—

19 “(i) has at least 5 full-time employees in a possession of the United States for
20 each year in the 3-year period immediately preceding the close of the taxable year
21 (or for such part of such period immediately preceding the close of such taxable
22 year as may be applicable), and

23 “(ii) has not more than a total of 30 full-time employees for each year in such
24 3-year period.

25 “(C) GROSS RECEIPTS.—A qualified domestic corporation meets the requirements of
26 this subparagraph if the annual gross receipts of the qualified domestic corporation
27 (and all persons related thereto) for each year in such 3-year period is not more than
28 \$50,000,000.

29 “(3) RELATED PERSONS.—In determining whether the limitations under subparagraphs
30 (B)(ii) and (C) of paragraph (2) are met, all persons who are treated as a single employer for
31 purposes of subsection (a) or (b) of section 52 shall be taken into account.

32 “(4) AMOUNT OF WAGES TAKEN INTO ACCOUNT.—Subsection (c)(2)(A) shall be applied
33 by substituting ‘\$142,800’ for ‘\$50,000’.

34 “(e) Possession of the United States.—

35 “(1) IN GENERAL.—The term ‘possession of the United States’ means American Samoa,
36 the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico,
37 Guam, and the Virgin Islands.

38 “(2) MIRROR CODE POSSESSIONS.—In the case of any possession of the United States with
39 a mirror code tax system (as defined in section 24(k)), this section shall not be treated as
40 part of the income tax laws of the United States for purposes of determining the income tax

1 law of such possession unless such possession elects to have this section be so treated.

2 “(f) Separate Application to Each Possession.—For purposes of determining the amount of the
3 credit allowed under this section, this section shall be applied separately with respect to each
4 possession of the United States.

5 “(g) Termination.—No credit shall be allowed under this section for any taxable year
6 beginning after December 31, 2031.”.

7 (b) Credit Made Part of General Business Credit.—Subsection (b) of section 38, as amended
8 by the preceding provisions of this Act, is amended by striking “plus” at the end of paragraph
9 (34), by striking the period at the end of paragraph (35) and inserting “, plus”, and by adding at
10 the end the following new paragraph:

11 “(36) the possessions economic activity credit determined under section 45V.”.

12 (c) Clerical Amendment.—The table of sections for subpart B of part IV of subchapter A of
13 chapter 1 is amended by adding at the end the following:

14 “Sec.45V.Possessions ~~Economic Activity Credit.~~” **economic activity credit.**”.

15 (d) Effective Date.—The amendments made by this section shall apply to taxable years
16 beginning after the date of the enactment of this Act, and in the case of a qualified corporation
17 that is a foreign corporation, to taxable years beginning after the date of enactment and to taxable
18 years of United States shareholders in which or with which such taxable years of foreign
19 corporations end.

20 **SEC. ~~135003~~ 135402. TAX TREATMENT OF CERTAIN**
21 **~~ASSISTANCE TO CERTAIN FARM LOAN BORROWERS~~**
22 **FARMERS, ETC.**

23 (a) In General.—For purposes of the Internal Revenue Code of 1986, in the case of any
24 payment described in section 1005(b) **or 1006(e)** of the American Rescue Plan Act of 2021 (as
25 amended by this Act)—

26 (1) such payment shall not be included in the gross income of the person on whose
27 behalf, or to whom, such payment is made,

28 (2) no deduction shall be denied, no tax attribute shall be reduced, and no basis increase
29 shall be denied, by reason of the exclusion from gross income provided by paragraph (1),
30 and

31 (3) in the case of a partnership or S corporation on whose behalf, or to whom, such a
32 payment is made—

33 (A) any amount excluded from income by reason of paragraph (1) shall be treated as
34 tax exempt income for purposes of sections 705 and 1366 of such Code, and

35 (B) except as provided by the Secretary of the Treasury (or the Secretary’s delegate),
36 any increase in the adjusted basis of a partner’s interest in a partnership under section
37 705 of such Code with respect to any amount described in subparagraph (A) shall
38 equal the partner’s distributive share of deductions resulting from interest that is part of
39 such payment and the partner’s share, as determined under section 752 of such Code,

1 of principal that is part of such payment.

2 (b) Authority to Waive Certain Information Reporting Requirements.—The Secretary of the
3 Treasury (or the Secretary’s delegate) may provide an exception from any requirement to file an
4 information return otherwise required by chapter 61 of the Internal Revenue Code of 1986 with
5 respect to any amount excluded from gross income by reason of subsection (a).

6 ~~Subtitle C Affordable Health Care Coverage~~

7 ~~SEC. 30601. ENSURING AFFORDABILITY OF COVERAGE~~
8 ~~FOR CERTAIN LOW INCOME POPULATIONS.~~

9 ~~(a) Reducing Cost Sharing Under Qualified Health~~
10 ~~Plans.—Section 1402 of the Patient Protection and Affordable~~
11 ~~Care Act (42 U.S.C. 18071) is amended—~~

12 ~~(1) in subsection (b)—~~

13 ~~(A) in paragraph (2), by inserting “(or, with respect to plan years~~
14 ~~2023, 2024, and 2025, whose household income does not exceed~~
15 ~~400 percent of the poverty line for a family of the size~~
16 ~~involved)” before the period; and~~

17 ~~(B) in the matter following paragraph (2), by adding at the end~~
18 ~~the following new sentence: “In the case of an individual with a~~
19 ~~household income that does not exceed 138 percent of the~~
20 ~~poverty line for a family of the size involved for any month~~
21 ~~occurring during 2022, such individual shall, for each month~~
22 ~~during 2022, be treated as having household income equal to~~
23 ~~100 percent for purposes of applying this section.”; and~~

24 ~~(2) in subsection (c)—~~

25 ~~(A) in paragraph (1)(A), in the matter preceding clause (i), by~~
26 ~~inserting “, with respect to eligible insureds (other than, with~~
27 ~~respect to plan years 2023, 2024, and 2025, specified enrollees~~
28 ~~(as defined in paragraph (6)(C))),” after “first be achieved”;~~

29 ~~(B) in paragraph (2), in the matter preceding subparagraph (A),~~
30 ~~by inserting “with respect to eligible insureds (other than, with~~

1 ~~respect to plan years 2023, 2024, and 2025, specified enrollees)”~~
2 ~~after “under the plan”;~~
3 ~~(C) in paragraph (3)—~~
4 ~~(i) in subparagraph (A), by striking “this subsection” and~~
5 ~~inserting “paragraph (1) or (2)”;~~ and
6 ~~(ii) in subparagraph (B), by striking “this section” and inserting~~
7 ~~“paragraphs (1) and (2)”;~~ and
8 ~~(D) by adding at the end the following new paragraph:~~
9 ~~“(6) Special rule for specified enrollees.—~~
10 ~~“(A) In general.— The Secretary shall establish procedures under~~
11 ~~which the issuer of a qualified health plan to which this section~~
12 ~~applies shall reduce cost sharing under the plan with respect to~~
13 ~~months occurring during plan years 2023, 2024, and 2025 for~~
14 ~~enrollees who are specified enrollees (as defined in~~
15 ~~subparagraph (C)) in a manner sufficient to increase the plan’s~~
16 ~~share of the total allowed costs of benefits provided under the~~
17 ~~plan to 99 percent of such costs.~~
18 ~~“(B) Methods for reducing cost sharing.—~~
19 ~~“(i) In general.— An issuer of a qualified health plan making~~
20 ~~reductions under this paragraph shall notify the Secretary of~~
21 ~~such reductions and the Secretary shall, out of funds made~~
22 ~~available under clause (ii), make periodic and timely payments~~
23 ~~to the issuer equal to 12 percent of the total allowed costs of~~
24 ~~benefits provided under each such plan to specified enrollees~~
25 ~~during plan years 2023, 2024, and 2025.~~
26 ~~“(ii) Appropriation.— In addition to amounts otherwise~~
27 ~~available, there are appropriated, out of any money in the~~
28 ~~Treasury not otherwise appropriated, such sums as may be~~

1 ~~necessary to the Secretary to make payments under clause (i).~~
2 ~~“(C) Specified enrollee defined.— For purposes of this section,~~
3 ~~the term ‘specified enrollee’ means, with respect to month-~~
4 ~~occurring during a plan year, an eligible insured with a~~
5 ~~household income that does not exceed 138 percent of the~~
6 ~~poverty line for a family of the size involved during such month.~~
7 ~~Such insured shall be deemed to be a specified enrollee for each~~
8 ~~month in such plan year.”.~~

9 ~~(b) Open Enrollments Applicable to Certain Lower income~~
10 ~~Populations.— Section 1311(c) of the Patient Protection and~~
11 ~~Affordable Care Act (42 U.S.C. 18031(c)) is amended—~~

12 ~~(1) in paragraph (6)—~~

13 ~~(A) in subparagraph (C), by striking at the end “and”;~~

14 ~~(B) in subparagraph (D), by striking the period at the end and~~
15 ~~inserting “; and”;~~ and

16 ~~(C) by adding at the end the following new subparagraph:~~

17 ~~“(E) with respect to a qualified health plan with respect to which~~
18 ~~section 1402 applies, for months occurring during the period~~
19 ~~beginning on January 1, 2022, and ending on December 31,~~
20 ~~2025, enrollment periods described in subparagraph (A) of~~
21 ~~paragraph (8) for individuals described in subparagraph (B) of~~
22 ~~such paragraph.”;~~ and

23 ~~(2) by adding at the end the following new paragraph:~~

24 ~~“(8) Special enrollment period for certain low income~~
25 ~~populations.—~~

26 ~~“(A) In general.— The enrollment period described in this~~
27 ~~paragraph is, in the case of an individual described in~~
28 ~~subparagraph (B), the continuous period beginning on the first~~

1 ~~day that such individual is so described.~~

2 ~~“(B) Individual described.— For purposes of subparagraph (A),~~
3 ~~an individual described in this subparagraph is an individual—~~

4 ~~“(i) with a household income that does not exceed 138 percent~~
5 ~~of the poverty line for a family of the size involved; and~~

6 ~~“(ii) who is not eligible for minimum essential coverage (as~~
7 ~~defined in section 5000A(f) of the Internal Revenue Code of~~
8 ~~1986), other than for coverage described in any of~~
9 ~~subparagraphs (B) through (E) of paragraph (1) of such~~
10 ~~section.”.~~

11 ~~(c) Additional Benefits for Certain Low income Individuals for~~
12 ~~Plan Years 2024 and 2025.— Section 1301(a) of the Patient~~
13 ~~Protection and Affordable Care Act (42 U.S.C. 18021(a)) is~~
14 ~~amended—~~

15 ~~(1) in paragraph (1)—~~

16 ~~(A) in subparagraph (B), by striking “and” at the end;~~

17 ~~(B) in subparagraph (C)(iv), by striking the period and inserting~~
18 ~~“; and”; and~~

19 ~~(C) by adding at the end the following new subparagraph:~~

20 ~~“(D) provides, with respect to a plan offered in the silver level of~~
21 ~~coverage to which section 1402 applies during plan year 2024~~
22 ~~and 2025, for benefits described in paragraph (5) in the case of~~
23 ~~an individual who has a household income that does not exceed~~
24 ~~138 percent of the poverty line for a family of the size involved,~~
25 ~~and who is eligible to receive cost sharing reductions under~~
26 ~~section 1402.”; and~~

27 ~~(2) by adding at the end the following new paragraph:~~

28 ~~“(5) Additional benefits for certain low income individuals for~~

1 ~~plan year 2024 and 2025.—~~

2 ~~“(A) In general.—~~

3 ~~“(i) Benefits.— For purposes of paragraph (1)(D), the benefits-~~
4 ~~described in this paragraph to be provided by a qualified health-~~
5 ~~plan are benefits consisting of—~~

6 ~~“(I) non-emergency medical transportation services (as-~~
7 ~~described in section 1902(a)(4) of the Social Security Act); and~~

8 ~~“(II) services described in subsection (a)(4)(C) of section 1905-~~
9 ~~of such Act for which Federal payments would have been-~~
10 ~~available under title XIX of the Social Security Act had such-~~
11 ~~services been furnished to an individual enrolled under a State-~~
12 ~~plan (or waiver of such plan) under such title;~~

13 ~~which are not otherwise provided under such plan as part of the-~~
14 ~~essential health benefits package described in section 1302(a).~~

15 ~~“(ii) Condition on provision of benefits.— Benefits described in-~~
16 ~~this paragraph shall be provided—~~

17 ~~“(I) without any restriction on the choice of a qualified provider-~~
18 ~~from whom an individual may receive such benefits; and~~

19 ~~“(II) without any imposition of cost sharing.~~

20 ~~“(B) Payments for additional benefits.—~~

21 ~~“(i) In general.— An issuer of a qualified health plan making-~~
22 ~~payments for services described in subparagraph (A) furnished-~~
23 ~~to individuals described in paragraph (1)(D) during plan year-~~
24 ~~2024 or 2025 shall notify the Secretary of such payments and~~
25 ~~the Secretary shall, out of funds made available under clause (ii),~~
26 ~~make periodic and timely payments to the issuer equal to-~~
27 ~~payments for such services so furnished.~~

28 ~~“(ii) Appropriation.— In addition to amounts otherwise-~~

1 ~~available, there is appropriated, out of any money in the~~
2 ~~Treasury not otherwise appropriated, such sums as may be~~
3 ~~necessary to the Secretary to make payments under clause (i).”.~~

4 ~~(d) Education and Outreach Activities. —~~

5 ~~(1) In general. — Section 1321(c) of the Patient Protection and~~
6 ~~Affordable Care Act (42 U.S.C. 18041(c)) is amended by adding~~
7 ~~at the end the following new paragraph:~~

8 ~~“(3) Outreach and educational activities. —~~

9 ~~“(A) In general. — In the case of an Exchange established or~~
10 ~~operated by the Secretary within a State pursuant to this~~
11 ~~subsection, the Secretary shall carry out outreach and~~
12 ~~educational activities for purposes of informing individuals~~
13 ~~described in section 1902(a)(10)(A)(i)(VIII) of the Social~~
14 ~~Security Act who reside in States that have not expended~~
15 ~~amounts under a State plan (or waiver of such plan) under title~~
16 ~~XIX of such Act for all such individuals about qualified health~~
17 ~~plans offered through the Exchange, including by informing~~
18 ~~such individuals of the availability of coverage under such plans~~
19 ~~and financial assistance for coverage under such plans. Such~~
20 ~~outreach and educational activities shall be provided in a manner~~
21 ~~that is culturally and linguistically appropriate to the needs of~~
22 ~~the populations being served by the Exchange (including~~
23 ~~hard to reach populations, such as racial and sexual minorities,~~
24 ~~limited English proficient populations, individuals residing in~~
25 ~~areas where the unemployment rates exceeds the national~~
26 ~~average unemployment rate, individuals in rural areas, veterans,~~
27 ~~and young adults).~~

28 ~~“(B) Limitation on use of funds. — No funds appropriated under~~
29 ~~this paragraph shall be used for expenditures for promoting~~

1 ~~non-ACA compliant health insurance coverage.~~

2 ~~“(C) Non-aca compliant health insurance coverage. For~~
3 ~~purposes of subparagraph (B):~~

4 ~~“(i) The term ‘non-ACA compliant health insurance coverage’~~
5 ~~means health insurance coverage, or a group health plan, that is~~
6 ~~not a qualified health plan.~~

7 ~~“(ii) Such term includes the following:~~

8 ~~“(I) An association health plan.~~

9 ~~“(II) Short term limited duration insurance.~~

10 ~~“(D) Funding. In addition to amounts otherwise available,~~
11 ~~there is appropriated, out of any money in the Treasury not~~
12 ~~otherwise appropriated, to remain available until expended,~~
13 ~~\$105,000,000 for fiscal year 2022 to carry out this paragraph, of~~
14 ~~which—~~

15 ~~“(i) \$15,000,000 shall be used to carry out this paragraph in~~
16 ~~fiscal year 2022; and~~

17 ~~“(ii) \$30,000,000 shall be used to carry out this paragraph for~~
18 ~~each of fiscal years 2023 through 2025.”.~~

19 ~~(2) Navigator program. Section 1311(i)(6) of the Patient~~
20 ~~Protection and Affordable Care Act (42 U.S.C. 18031(i)(6)) is~~
21 ~~amended—~~

22 ~~(A) by striking “Funding. Grants under” and inserting~~
23 ~~“Funding.—~~

24 ~~“(A) State exchanges. Grants under”; and~~

25 ~~(B) by adding at the end the following new subparagraph:~~

26 ~~“(B) Federal exchanges. For purposes of carrying out this~~
27 ~~subsection, with respect to an Exchange established and~~

1 ~~operated by the Secretary within a State pursuant to section~~
2 ~~1321(c), the Secretary shall obligate \$10,000,000 out of amounts~~
3 ~~collected through the user fees on participating health insurance~~
4 ~~issuers pursuant to section 156.50 of title 45, Code of Federal~~
5 ~~Regulations (or any successor regulations) for fiscal year 2022,~~
6 ~~and \$20,000,000 for each of fiscal years 2023, 2024, and 2025.~~
7 ~~Such amount so obligated for a fiscal year shall remain available~~
8 ~~until expended.”.~~

9 ~~(e) Funding. In addition to amounts otherwise available, there~~
10 ~~is appropriated to the Secretary of Health and Human Services~~
11 ~~for fiscal year 2022, out of any money in the Treasury not~~
12 ~~otherwise appropriated, \$65,000,000, to remain available until~~
13 ~~expended, for purposes of carrying out the provisions of, and the~~
14 ~~amendments made by, this section, section 30602, and section~~
15 ~~30603.~~

16 ~~SEC. 30602. ESTABLISHING A HEALTH INSURANCE~~
17 ~~AFFORDABILITY FUND.~~

18 ~~(a) In General. Subtitle D of title I of the Patient Protection~~
19 ~~and Affordable Care Act is amended by inserting after section~~
20 ~~1343 (42 U.S.C. 18063) the following new part:~~

21 ~~“PART 6—IMPROVE HEALTH INSURANCE~~
22 ~~AFFORDABILITY FUND~~

23 ~~“SEC. 1351. ESTABLISHMENT OF PROGRAM.~~

24 ~~“There is hereby established the ‘Improve Health Insurance~~
25 ~~Affordability Fund’ to be administered by the Secretary of~~
26 ~~Health and Human Services, acting through the Administrator of~~
27 ~~the Centers for Medicare & Medicaid Services (in this section~~
28 ~~referred to as the ‘Administrator’), to provide funding, in~~
29 ~~accordance with this part, to the 50 States and the District of~~

1 ~~Columbia (each referred to in this section as a ‘State’) beginning~~
2 ~~on January 1, 2023, for the purposes described in section 1352.~~

3 ~~“SEC. 1352. USE OF FUNDS.~~

4 ~~“(a) In General.— A State shall use the funds allocated to the~~
5 ~~State under this part for one of the following purposes:~~

6 ~~“(1) To provide reinsurance payments to health insurance issuers~~
7 ~~with respect to individuals enrolled under individual health~~
8 ~~insurance coverage (other than through a plan described in~~
9 ~~subsection (b)) offered by such issuers.~~

10 ~~“(2) To provide assistance (other than through payments~~
11 ~~described in paragraph (1)) to reduce out of pocket costs, such~~
12 ~~as copayments, coinsurance, premiums, and deductibles, of~~
13 ~~individuals enrolled under qualified health plans offered on the~~
14 ~~individual market through an Exchange and of individuals~~
15 ~~enrolled under standard health plans offered through a basic~~
16 ~~health program established under section 1331.~~

17 ~~“(b) Exclusion of Certain Grandfathered Plans, Transitional~~
18 ~~Plans, Student Health Plans, and Excepted Benefits.— For~~
19 ~~purposes of subsection (a), a plan described in this subsection is~~
20 ~~the following:~~

21 ~~“(1) A grandfathered health plan (as defined in section 1251).~~

22 ~~“(2) A plan (commonly referred to as a ‘transitional plan’)~~
23 ~~continued under the letter issued by the Centers for Medicare &~~
24 ~~Medicaid Services on November 14, 2013, to the State~~
25 ~~Insurance Commissioners outlining a transitional policy for~~
26 ~~coverage in the individual and small group markets to which~~
27 ~~section 1251 does not apply, and under the extension of the~~
28 ~~transitional policy for such coverage set forth in the Insurance~~
29 ~~Standards Bulletin Series guidance issued by the Centers for~~

1 ~~Medicare & Medicaid Services on March 5, 2014, February 29,~~
2 ~~2016, February 13, 2017, April 9, 2018, March 25, 2019,~~
3 ~~January 31, 2020, and January 19, 2021, or under any~~
4 ~~subsequent extensions thereof.~~

5 ~~“(3) Student health insurance coverage (as defined in section~~
6 ~~147.145 of title 45, Code of Federal Regulations, or any~~
7 ~~successor regulation).~~

8 ~~“(4) Excepted benefits (as defined in section 2791(c) of the~~
9 ~~Public Health Service Act).~~

10 ~~“SEC. 1353. STATE ELIGIBILITY AND APPROVAL;~~
11 ~~DEFAULT SAFEGUARD.~~

12 ~~“(a) Encouraging State Options for Allocations.—~~

13 ~~“(1) In general.— Subject to subsection (b), to be eligible for an~~
14 ~~allocation of funds under this part for a year (beginning with~~
15 ~~2023), a State shall submit to the Administrator an application at~~
16 ~~such time (but, in the case of allocations for 2023, not later than~~
17 ~~120 days after the date of the enactment of this part and, in the~~
18 ~~case of allocations for a subsequent year, not later than January~~
19 ~~1 of the previous year) and in such form and manner as specified~~
20 ~~by the Administrator containing—~~

21 ~~“(A) a description of how the funds will be used; and~~

22 ~~“(B) such other information as the Administrator may require.~~

23 ~~“(2) Automatic approval.— An application so submitted is~~
24 ~~approved (as outlined in the terms of the plan) unless the~~
25 ~~Administrator notifies the State submitting the application, not~~
26 ~~later than 90 days after the date of the submission of such~~
27 ~~application, that the application has been denied for not being in~~
28 ~~compliance with any requirement of this part and of the reason~~

1 ~~for such denial.~~

2 ~~“(3) Subsequent year application approval.— If an application of~~
3 ~~a State is approved for a purpose described in section 1352 for a~~
4 ~~year, such application shall be treated as approved for such~~
5 ~~purpose for each of subsequent year through 2025.~~

6 ~~“(4) Oversight authority and authority to revoke approval.—~~

7 ~~“(A) Oversight.— The Secretary may conduct periodic reviews~~
8 ~~of the use of funds provided to a State under this section, with~~
9 ~~respect to a purpose described in section 1352, to ensure the~~
10 ~~State uses such funds for such purpose and otherwise complies~~
11 ~~with the requirements of this section.~~

12 ~~“(B) Revocation of approval.— The approval of an application~~
13 ~~of a State, with respect to a purpose described in section 1352,~~
14 ~~may be revoked if the State fails to use funds provided to the~~
15 ~~State under this section for such purpose or otherwise fails to~~
16 ~~comply with the requirements of this section.~~

17 ~~“(b) Default Federal Safeguard for 2023, 2024, and 2025 for~~
18 ~~Certain States.—~~

19 ~~“(1) In general.— For 2023, 2024, and 2025, in the case of a~~
20 ~~State described in paragraph (5), with respect to such year, the~~
21 ~~State shall not be eligible to submit an application under~~
22 ~~subsection (a), and the Administrator, in consultation with the~~
23 ~~applicable State authority, shall from the amount calculated~~
24 ~~under paragraph (3) for such year, carry out the purpose~~
25 ~~described in paragraph (2) in such State for such year.~~

26 ~~“(2) Specified use.— The amount described in paragraph (3),~~
27 ~~with respect to a State described in paragraph (5) for 2023,~~
28 ~~2024, or 2025, shall be used to carry out the purpose described~~
29 ~~in section 1352(a)(1) in such State for such year, as applicable,~~

1 ~~by providing reinsurance payments to health insurance issuers-~~
2 ~~with respect to attachment range claims (as defined in section-~~
3 ~~1354(b)(2), using the dollar amounts specified in subparagraph-~~
4 ~~(B) of such section for such year) in an amount equal to, subject~~
5 ~~to paragraph (4), the percentage (specified for such year by the~~
6 ~~Secretary under such subparagraph) of the amount of such~~
7 ~~claims.~~

8 ~~“(3) Amount described.—The amount described in this-~~
9 ~~paragraph, with respect to 2023, 2024, or 2025, is the amount~~
10 ~~equal to the total sum of amounts that the Secretary would-~~
11 ~~otherwise estimate under section 1354(b)(2)(A)(i) for such year-~~
12 ~~for each State described in paragraph (5) for such year, as-~~
13 ~~applicable, if each such State were not so described for such~~
14 ~~year.~~

15 ~~“(4) Adjustment.—For purposes of this subsection, the Secretary~~
16 ~~may apply a percentage under paragraph (3) with respect to a~~
17 ~~year that is less than the percentage otherwise specified in-~~
18 ~~section 1354(b)(2)(B) for such year, if the cost of paying the~~
19 ~~total eligible attachment range claims for States described in-~~
20 ~~paragraph (5) for such year at such percentage otherwise-~~
21 ~~specified would exceed the amount calculated under paragraph-~~
22 ~~(3) for such year.~~

23 ~~“(5) State described.—A State described in this paragraph, with-~~
24 ~~respect to years 2023, 2024, and 2025, is a State that, as of~~
25 ~~January 1 of 2022, 2023, or 2024, respectively, was not~~
26 ~~expending amounts under the State plan (or waiver of such plan)-~~
27 ~~for all individuals described in section 1902(a)(10)(A)(i)(VIII)-~~
28 ~~during such year.~~

29 ~~“SEC. 1354. ALLOCATIONS.~~

1 ~~“(a) Appropriation.—In addition to amounts otherwise available,~~
2 ~~there is appropriated, out of any money in the Treasury not~~
3 ~~otherwise appropriated, \$10,000,000,000 for 2023 and each~~
4 ~~subsequent year through 2025 to provide allocations for States~~
5 ~~under subsection (b) and payments under section 1353(b).~~

6 ~~“(b) Allocations.—~~

7 ~~“(1) Payment.—~~

8 ~~“(A) In general.—From amounts appropriated under subsection~~
9 ~~(a) for a year, the Secretary shall, with respect to a State not~~
10 ~~described in section 1353(b) for such year and not later than the~~
11 ~~date specified under subparagraph (B) for such year, allocate for~~
12 ~~such State the amount determined for such State and year under~~
13 ~~paragraph (2).~~

14 ~~“(B) Specified date.—For purposes of subparagraph (A), the~~
15 ~~date specified in this subparagraph is—~~

16 ~~“(i) for 2023, the date that is 90 days after the date of the~~
17 ~~enactment of this part; and~~

18 ~~“(ii) for 2024 or 2025, January 1 of the previous year.~~

19 ~~“(C) Notifications of allocation amounts.—For 2024 and 2025,~~
20 ~~the Secretary shall notify each State of the amount determined~~
21 ~~for such State under paragraph (2) for such year by not later than~~
22 ~~January 1 of the previous year.~~

23 ~~“(2) Allocation amount determinations.—~~

24 ~~“(A) In general.—For purposes of paragraph (1), the amount~~
25 ~~determined under this paragraph for a year for a State described~~
26 ~~in paragraph (1)(A) for such year is the amount equal to—~~

27 ~~“(i) the amount that the Secretary estimates would be expended~~
28 ~~under this part for such year on attachment range claims of~~

1 ~~individuals residing in such State if such State used such funds-~~
2 ~~only for the purpose described in paragraph (1) of section-~~
3 ~~1352(a) at the dollar amounts and percentage specified under-~~
4 ~~subparagraph (B) for such year; minus~~

5 ~~“(ii) the amount, if any, by which the Secretary determines—~~

6 ~~“(I) the estimated amount of premium tax credits under section-~~
7 ~~36B of the Internal Revenue Code of 1986 that would be-~~
8 ~~attributable to individuals residing in such State for such year-~~
9 ~~without application of this part; exceeds~~

10 ~~“(II) the estimated amount of premium tax credits under section-~~
11 ~~36B of the Internal Revenue Code of 1986 that would be-~~
12 ~~attributable to individuals residing in such State for such year if-~~
13 ~~section 1353(b) applied for such year and applied with respect to~~
14 ~~such State for such year.~~

15 ~~For purposes of the previous sentence and section 1353(b)(3),-~~
16 ~~the term ‘attachment range claims’ means, with respect to an-~~
17 ~~individual, the claims for such individual that exceed a dollar-~~
18 ~~amount specified by the Secretary for a year, but do not exceed a~~
19 ~~ceiling dollar amount specified by the Secretary for such year,-~~
20 ~~under subparagraph (B).~~

21 ~~“(B) Specifications.— For purposes of subparagraph (A) and-~~
22 ~~section 1353(b)(3), the Secretary shall determine the dollar-~~
23 ~~amounts and the percentage to be specified under this-~~
24 ~~subparagraph for a year in a manner to ensure that the total-~~
25 ~~amount of expenditures under this part for such year is estimated~~
26 ~~to equal the total amount appropriated for such year under-~~
27 ~~subsection (a) if such expenditures were used solely for the~~
28 ~~purpose described in paragraph (1) of section 1352(a) for-~~
29 ~~attachment range claims at the dollar amounts and percentage so-~~

1 ~~specified for such year.~~

2 ~~“(3) Availability. Funds allocated to a State under this~~
3 ~~subsection for a year shall remain available through the end of~~
4 ~~the subsequent year.”.~~

5 ~~(b) Basic Health Program Funding Adjustments. Section 1331-~~
6 ~~of the Patient Protection and Affordable Care Act (42 U.S.C.~~
7 ~~18051) is amended—~~

8 ~~(1) in subsection (a), by adding at the end the following new-~~
9 ~~paragraph:~~

10 ~~“(3) Provision of information on qualified health plan-~~
11 ~~premiums.—~~

12 ~~“(A) In general. For plan years beginning on or after January-~~
13 ~~1, 2023, the program described in paragraph (1) shall provide~~
14 ~~that a State may not establish a basic health program unless such~~
15 ~~State furnishes to the Secretary, with respect to each qualified~~
16 ~~health plan offered in such State during a year that receives any~~
17 ~~reinsurance payment from funds made available under part 6 for~~
18 ~~such year, the adjusted premium amount (as defined in~~
19 ~~subparagraph (B)) for each such plan and year.~~

20 ~~“(B) Adjusted premium amount defined. For purposes of~~
21 ~~subparagraph (A), the term ‘adjusted premium amount’ means,~~
22 ~~with respect to a qualified health plan and a year, the monthly~~
23 ~~premium for such plan and year that would have applied had~~
24 ~~such plan not received any payments described in subparagraph~~
25 ~~(A) for such year.”; and~~

26 ~~(2) in subsection (d)(3)(A)(ii), by adding at the end the~~
27 ~~following new sentence: “In making such determination, the~~
28 ~~Secretary shall calculate the value of such premium tax credits-~~
29 ~~that would have been provided to such individuals enrolled-~~

1 ~~through a basic health program established by a State during a~~
2 ~~year using the adjusted premium amounts (as defined in~~
3 ~~subsection (a)(3)(B)) for qualified health plans offered in such~~
4 ~~State during such year.”.~~

5 ~~(c) Implementation Authority.—The Secretary of Health and~~
6 ~~Human Services may implement the provisions of, and the~~
7 ~~amendments made by, this section by subregulatory guidance or~~
8 ~~otherwise.~~

9 ~~SEC. 30603. FUNDING FOR THE PROVISION OF HEALTH~~
10 ~~INSURANCE CONSUMER INFORMATION.~~

11 ~~Section 2793(e) of the Public Health Service Act (42 U.S.C.~~
12 ~~300gg93(e)) is amended by adding at the end the following new~~
13 ~~paragraph:~~

14 ~~“(3) Funding for fiscal years 2022 through [2026].—In addition~~
15 ~~to amounts otherwise available, there is appropriated, out of any~~
16 ~~money in the Treasury not otherwise appropriated, \$15,000,000~~
17 ~~for each of fiscal years 2022 through [2026] to carry out this~~
18 ~~section.”.~~

19 ~~Subtitle D—Green~~ **SEC. 135403. EXCLUSION OF**
20 **AMOUNTS RECEIVED FROM STATE-BASED**
21 **CATASTROPHE LOSS MITIGATION PROGRAMS.**

22 (a) **In General.**—Section 139 is amended by redesignating subsection (h) as subsection (i)
23 and by inserting after subsection (g) the following new subsection:

24 **“(h) State-Based Catastrophe Loss Mitigation Programs.—**

25 **“(1) IN GENERAL.—Gross income shall not include any amount received by an**
26 **individual as a qualified catastrophe mitigation payment under a program established**
27 **by—**

28 **“(A) a State, or a political subdivision or instrumentality thereof,**

29 **“(B) a joint powers authority, or**

30 **“(C) an entity created under State law to ensure the availability of an adequate**
31 **market of last resort for essential property insurance, over which a State agency**

1 or State department of insurance has regulatory oversight.

2 “(2) QUALIFIED CATASTROPHE MITIGATION PAYMENT.—For purposes of this section,
3 the term ‘qualified catastrophe mitigation payment’ means any amount which is
4 received by an individual to make improvements to such individual’s residence for the
5 sole purpose of reducing the damage that would be done to such residence by a
6 windstorm, earthquake, or wildfire.

7 “(3) NO INCREASE IN BASIS.—Rules similar to the rules of subsection (g)(3) shall
8 apply in the case of this subsection.”.

9 (b) Conforming Amendments.—

10 (1) Section 139(d) is amended by striking “and qualified” and inserting “, qualified
11 catastrophe mitigation payments, and qualified”.

12 (2) Section 139(i) (as redesignated by subsection (a)) is amended by striking “or
13 qualified” and inserting “, qualified catastrophe mitigation payment, or qualified”.

14 (c) Effective Date.—The amendments made by this section shall apply to taxable years
15 beginning after December 31, 2020.

16 **Subtitle F—Green Energy**

17 **SEC. 136001. AMENDMENT OF 1986 CODE.**

18 Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is
19 expressed in terms of an amendment to, or repeal of, a section or other provision, the reference
20 shall be considered to be made to a section or other provision of the Internal Revenue Code of
21 1986.

22 **PART 1—RENEWABLE ELECTRICITY AND REDUCING** 23 **CARBON EMISSIONS**

24 **SEC. 136101. EXTENSION AND MODIFICATION OF** 25 **CREDIT FOR ELECTRICITY PRODUCED FROM CERTAIN** 26 **RENEWABLE RESOURCES.**

27 (a) In General.—The following provisions of section 45(d) are each amended by striking
28 “January 1, 2022” each place it appears and inserting “January 1, 2027”:

29 (1) Paragraph (2)(A).

30 (2) Paragraph (3)(A).

31 (3) Paragraph (4)(B).

32 (4) Paragraph (6).

33 (5) Paragraph (7).

34 (6) Paragraph (9).

35 (7) Paragraph (11)(B).

1 (b) Base Credit Amount.—Section 45 is amended by striking “1.5 cents” each place it appears
2 and inserting “0.3 cents”.

3 (c) Application of Extension to Solar.—Section 45(d)(4)(A) is amended by striking “is placed
4 in service before January 1, 2006” and inserting “the construction of which begins before
5 January 1, 2027.”.

6 (d) Extension of Election to Treat Qualified Facilities as Energy Property.—Section
7 48(a)(5)(C)(ii) is amended by striking “January 1, 2022” and inserting “January 1, 2027”.

8 (e) Application of Extension to Wind Facilities.—

9 (1) IN GENERAL.—Section 45(d)(1) is amended by striking “January 1, 2022” and
10 inserting “January 1, 2027”.

11 (2) APPLICATION OF PHASEOUT PERCENTAGE.—

12 (A) RENEWABLE ELECTRICITY PRODUCTION CREDIT.—Section 45(b)(5) is amended
13 by inserting “placed in service before January 1, 2022” after “In the case of any
14 facility”.

15 (B) ENERGY CREDIT.—Section 48(a)(5)(E) is amended by inserting “placed in
16 service before January 1, 2022” after “In the case of any facility”.

17 (3) QUALIFIED OFFSHORE WIND FACILITIES UNDER ENERGY CREDIT.—Section
18 48(a)(5)(F)(i) is amended by striking “offshore wind facility—” and all that follows and
19 inserting the following: “offshore wind facility, subparagraph (E) shall not apply.”.

20 (f) Wage and Apprenticeship Requirements.—Section 45(b) is amended by adding at the end
21 the following new paragraphs:

22 ~~“(7)“(6) INCREASED CREDIT AMOUNT FOR QUALIFIED FACILITIES.—~~

23 ~~“(A) IN GENERAL.—In the case of any qualified facility which satisfies the~~
24 ~~requirements of subparagraph (B), the amount of the credit determined under~~
25 ~~subsection (a) (determined after the application of paragraphs (1) through ~~(6)~~(5)) shall~~
26 ~~be equal to such amount multiplied by 5 (determined without regard to this sentence).~~

27 ~~“(B) QUALIFIED FACILITY REQUIREMENTS.—A qualified facility meets the~~
28 ~~requirements of this subparagraph if it is one of the following:~~

29 ~~“(i) A facility with a maximum net output of less than 1 megawatt.~~

30 ~~“(ii) A facility the construction of which begins prior to the date that is 60 days~~
31 ~~after the Secretary publishes guidance with respect to the requirements of~~
32 ~~paragraphs ~~(8)~~(7) and ~~(9)~~(8).~~

33 ~~“(iii) A facility which satisfies the requirements of paragraphs ~~(8)~~(7) and ~~(9)~~(8).~~

34 ~~“(8)“(7) PREVAILING WAGE REQUIREMENTS.—~~

35 ~~“(A) IN GENERAL.—The requirements described in this subparagraph with respect to~~
36 ~~any qualified facility are that the taxpayer shall ensure that any laborers and mechanics~~
37 ~~employed by contractors and subcontractors in—~~

38 ~~“(i) the construction of such facility, and~~

1 “(ii) for the period of the taxable year which is within the 10-year period
2 beginning on the date the facility was originally placed in service, the alteration or
3 repair of such facility,

4 shall be paid wages at rates not less than the prevailing rates for construction,
5 alteration, or repair of a similar character in the locality as most recently determined by
6 the Secretary of Labor, in accordance with subchapter IV of chapter 31 of title 40,
7 United States Code. For purposes of determining an increased credit amount under
8 paragraph ~~(7)(A)~~**(6)(A)** for a taxable year, the requirement under clause (ii) is applied
9 to such taxable year in which the alteration or repair of the qualified facility occurs.”

10 “(B) CORRECTION AND PENALTY RELATED TO FAILURE TO SATISFY WAGE
11 REQUIREMENTS.—

12 “(i) IN GENERAL.—In the case of any taxpayer which fails to satisfy the
13 requirement under subparagraph (A) with respect to the construction of any
14 qualified facility or with respect to the alteration or repair of a facility in any year
15 during the period described in subparagraph (A)(ii), such taxpayer shall be
16 deemed to have satisfied such requirement under such subparagraph with respect
17 to such facility for any year if, with respect to any laborer or mechanic who was
18 paid wages at a rate below the rate described in such subparagraph for any period
19 during such year, such taxpayer—

20 “(I) makes payment to such laborer or mechanic in an amount equal to the
21 sum of—

22 “(aa) an amount equal to the difference between—

23 “(AA) the amount of wages paid to such laborer or mechanic
24 during such period, and

25 “(BB) the amount of wages required to be paid to such laborer or
26 mechanic pursuant to such subparagraph during such period, plus

27 “(bb) interest on the amount determined under item (aa) at the
28 underpayment rate established under section 6621 (determined by
29 substituting ‘6 percentage points’ for ‘3 percentage points’ in subsection
30 (a)(2) of such section) for the period described in such item, and

31 “(II) makes payment to the Secretary of a penalty in an amount equal to
32 the product of—

33 “(aa) \$5,000, multiplied by

34 “(bb) the total number of laborers and mechanics who were paid
35 wages at a rate below the rate described in subparagraph (A) for any
36 period during such year.

37 “(ii) DEFICIENCY PROCEDURES NOT TO APPLY.—Subchapter B of chapter 63
38 (relating to deficiency procedures for income, estate, gift, and certain excise
39 taxes) shall not apply with respect to the assessment or collection of any penalty
40 imposed by this ~~section~~ **paragraph**.

41 “(iii) INTENTIONAL DISREGARD.—If the Secretary determines that any failure

1 described in subclause (i) is due to intentional disregard of the requirements under
2 subparagraph (A), subclause (I) shall be applied by substituting ‘three times the
3 sum’ for ‘the sum’ in item (aa) thereof and subclause (II) shall be applied by
4 substituting ‘\$10,000’ for ‘5,000’ in item (aa) thereof.

5 “(iv) LIMITATION ON PERIOD FOR PAYMENT.—Pursuant to rules issued by the
6 Secretary which are similar to the rules under chapter 63, in the case of a final
7 determination by the Secretary with respect to any failure by the taxpayer to
8 satisfy the requirement under subparagraph (A), subparagraph (B)(i) shall not
9 apply unless the payments described in subclauses (I) and (II) of such clause are
10 made by the taxpayer on or before the date which is 180 days after the date of
11 such determination.

12 ~~“(9)“(8)~~ APPRENTICESHIP REQUIREMENTS.—The requirements described in this
13 subparagraph with respect to the construction of any qualified facility are as follows:

14 “(A) LABOR HOURS.—

15 “(i) PERCENTAGE OF TOTAL LABOR HOURS.—Taxpayers shall ensure that not
16 less than the applicable percentage of the total labor hours of the construction,
17 alteration, or repair work (including such work performed by any contractor or
18 subcontractor) on any qualified facility shall, subject to subparagraph (B), be
19 performed by qualified apprentices.

20 “(ii) APPLICABLE PERCENTAGE.—For purposes of clause (i), the applicable
21 percentage shall be—

22 “(I) in the case of a qualified facility the construction of which begins
23 before January 1, 2023, 10 percent,

24 “(II) in the case of a qualified facility the construction of which begins
25 after December 31, 2022, and before January 1, 2024, 12.5 percent, and

26 “(III) in the case of a qualified facility the construction of which begins
27 after December 31, 2023, 15 percent.

28 “(B) APPRENTICE TO JOURNEYWORKER RATIO.—The requirement under
29 subparagraph (A)(i) shall be subject to any applicable requirements for
30 apprentice-to-journeyworker ratios of the Department of Labor or the applicable State
31 apprenticeship agency.

32 “(C) PARTICIPATION.—Each contractor and subcontractor who employs 4 or more
33 individuals to perform construction, alteration, or repair work on a qualified facility
34 shall employ 1 or more qualified apprentices to perform such work.

35 “(D) EXCEPTION.—

36 “(i) IN GENERAL.—A taxpayer shall not be treated as failing to satisfy the
37 requirements of this paragraph if such taxpayer—

38 “(I) makes a good faith effort to comply with the requirements of this
39 paragraph, or

40 “(II) subject to clause (iii), in the case of any failure by the taxpayer to

1 satisfy the requirement under subparagraphs (A) and (C) with respect to the
2 construction, alteration, or repair work on any qualified facility to which
3 subclause (I) does not apply, makes payment to the Secretary of a penalty in
4 an amount equal to the product of—

5 “(aa) \$50, multiplied by

6 “(bb) the total labor hours for which the requirement described in
7 such subparagraph was not satisfied with respect to the construction,
8 alteration, or repair work on such qualified facility.

9 “(ii) GOOD FAITH EFFORT.—For purposes of clause (i), a taxpayer shall be
10 deemed to have satisfied the requirements under such paragraph with respect to a
11 qualified facility if such taxpayer has requested qualified apprentices from a
12 registered apprenticeship program, as defined in section 3131(e)(3)(B), and—

13 “(I) such request has been denied, provided that such denial is not the
14 result of a refusal by the contractors or subcontractors engaged in the
15 performance of construction, alteration, or repair work on such qualified
16 facility to comply with the established standards and requirements of the
17 registered apprenticeship program, or

18 “(II) the registered apprenticeship program fails to respond to such request
19 within 5 business days after the date on which such registered apprenticeship
20 program received such request.

21 “(iii) INTENTIONAL DISREGARD.—If the Secretary determines that any failure
22 described in subclause (i)(II) is due to intentional disregard of the requirements
23 under subparagraphs (A) and (C), subclause (i)(II) shall be applied by substituting
24 ‘\$500’ for ‘\$50’ in item (aa) thereof.

25 “(E) DEFINITIONS.—For purposes of this paragraph—

26 “(i) LABOR HOURS.—The term ‘labor hours’—

27 “(I) means the total number of hours devoted to the performance of
28 construction, alteration, or repair work by employees of the taxpayer
29 (including construction, alteration, or repair work by any contractor or
30 subcontractor), and

31 “(II) excludes any hours worked by—

32 “(aa) foremen,

33 “(bb) superintendents,

34 “(cc) owners, or

35 “(dd) persons employed in a bona fide executive, administrative, or
36 professional capacity (within the meaning of those terms in part 541 of
37 title 29, Code of Federal Regulations).

38 “(ii) QUALIFIED APPRENTICE.—The term ‘qualified apprentice’ means an
39 individual who is an employee of the contractor or subcontractor and who is
40 participating in a registered apprenticeship program, as defined in section

1 3131(e)(3)(B).

2 “(10)“(9) DOMESTIC CONTENT BONUS CREDIT AMOUNT.—

3 “(A) IN GENERAL.—In the case of any qualified facility which satisfies the
4 requirement under subparagraph (B), the amount of the credit determined under
5 subsection (a) (determined after the application of paragraphs (1) through ~~(9)~~(8)) shall
6 be increased by an amount equal to 10 percent of the amount otherwise in effect under
7 such subsection.

8 “(B) REQUIREMENT.—

9 “(i) IN GENERAL.—The requirement described in this subclause with respect to
10 any qualified facility is satisfied if the taxpayer certifies to the Secretary (at such
11 time, and in such form and manner, as the Secretary may prescribe) that any steel,
12 iron, or manufactured product which is ~~part~~ **a component** of such facility (upon
13 completion of construction) was produced in the United States.

14 “(ii) STEEL AND IRON.—

15 “(I) IN GENERAL.—In the case of steel or iron, clause (i) shall be applied in
16 a manner consistent with section 661.5(b) of title 49, Code of Federal
17 Regulations.

18 “(II) EXCEPTION.—Subclause (I) shall not apply with respect to any steel
19 or iron which is used as a component or subcomponent of a manufactured
20 product which is not primarily made of steel or iron.

21 “(iii) MANUFACTURED PRODUCT.—For purposes of clause (i), the manufactured
22 products which are ~~part~~ **components** of a qualified facility upon completion of
23 construction shall be deemed to have been produced in the United States if not
24 less than the adjusted percentage of the total ~~cost of the constituent components~~
25 **costs** across all such manufactured products of such facility are attributable to
26 manufactured products (including components) which are mined, produced, or
27 manufactured in the United States.

28 “(C) ADJUSTED PERCENTAGE.—

29 “(i) IN GENERAL.—Subject to subclause (ii), for purposes of subparagraph
30 (B)(iii), the adjusted percentage shall be—

31 “(I) in the case of a facility the construction of which begins before
32 January 1, 2025, 40 percent,

33 “(II) in the case of a facility the construction of which begins after
34 December 31, 2024, and before January 1, 2026, 45 percent,

35 “(III) in the case of a facility the construction of which begins after
36 December 31, 2025, and before January 1, 2027, 50 percent, and

37 “(IV) in the case of a facility the construction of which begins after
38 December 31, 2026, 55 percent.

39 “(ii) OFFSHORE WIND FACILITY.—For purposes of subparagraph (B)(iii), in the
40 case of a qualified facility which is an offshore wind facility, the adjusted

1 percentage shall be—

2 “(I) in the case of a facility the construction of which begins before
3 January 1, 2025, 20 percent,

4 “(II) in the case of a facility the construction of which begins after
5 December 31, 2024, and before January 1, 2026, 27.5 percent,

6 “(III) in the case of a facility the construction of which begins after
7 December 31, 2025, and before January 1, 2027, 35 percent,

8 “(IV) in the case of a facility the construction of which begins after
9 December 31, 2026, and before January 1, 2028, 45 percent, and

10 “(V) in the case of a facility the construction of which begins after
11 December 31, 2027, 55 percent.

12 ~~“(11)“(10) PHASEOUT FOR ELECTIVE PAYMENT.—~~

13 “(A) IN GENERAL.—In the case of a taxpayer making an election under section 6417
14 with respect to a credit under this section, the amount of such credit shall be replaced
15 with—

16 “(i) the value of such credit (determined without regard to this paragraph),
17 multiplied by

18 “(ii) the applicable percentage.

19 “(B) 100 PERCENT APPLICABLE PERCENTAGE FOR CERTAIN QUALIFIED FACILITIES.—In
20 the case of any qualified facility—

21 “(i) which satisfies the requirements under paragraph ~~(10)~~(9) with respect to the
22 construction of such facility, or

23 “(ii) with a maximum net output of less than 1 megawatt,
24 the applicable percentage shall be 100 percent.

25 “(C) PHASED DOMESTIC CONTENT REQUIREMENT.—Subject to subparagraph (D), in
26 the case of any qualified facility which is not described in subparagraph (B), the
27 applicable percentage shall be—

28 “(i) if construction of such facility began before January 1, 2024, 100 percent,

29 “(ii) if construction of such facility began in calendar year 2024, 90 percent,

30 “(iii) if construction of such facility began in calendar year 2025, 85 percent,
31 and

32 “(iv) if construction of such facility began after December 31, 2025, 0 percent.

33 “(D) EXCEPTION.—

34 “(i) IN GENERAL.—For purposes of this paragraph, the Secretary shall provide
35 appropriate exceptions to the requirements under subparagraph (B) for the
36 construction of qualified facilities if—

37 “(I) the inclusion of domestic products increases the overall costs of

1 construction of qualified facilities by more than 25 percent, or

2 “(II) relevant domestic products are not produced in the United States in
3 sufficient and reasonably available quantities or of a satisfactory quality.

4 “(ii) APPLICABLE PERCENTAGE.—In any case in which the Secretary provides
5 an exception pursuant to clause (i), the applicable percentage shall be 100 percent.

6 “(11) SPECIAL RULE FOR QUALIFIED FACILITY LOCATED IN ENERGY COMMUNITY.—

7 “(A) IN GENERAL.—In the case of a qualified facility which is located in an
8 energy community, the credit determined under subsection (a) shall be increased
9 by an amount equal to 10 percent of the amount otherwise in effect under such
10 subsection (without application of subsection (b)(9)).

11 “(B) ENERGY COMMUNITY.—The term ‘energy community’ means a census
12 tract or any directly adjoining census tract in which—

13 “(i) after December 31, 1999, a coal mine has closed, or

14 ** 4 “(H)“(ii) after December 31, 2009, a coal-fired electric generating unit
15 has been retired, or.

16 “(12) REGULATIONS AND GUIDANCE.—The Secretary shall issue such regulations or other
17 guidance as the Secretary determines necessary or appropriate to carry out the purposes of
18 this subsection, including regulations or other guidance which provides for requirements for
19 recordkeeping or information reporting for purposes of establishing the requirements of this
20 subsection.”.

21 (g) Credit Reduced for Tax-exempt Bonds.—Section 45(b)(3) is amended to read as follows:

22 “(3) CREDIT REDUCED FOR TAX-EXEMPT BONDS.—The amount of the credit determined
23 under subsection (a) with respect to any facility for any taxable year (determined after the
24 application of paragraphs (1) and (2)) shall be reduced by the amount which is the product
25 of the amount so determined for such year and the lesser of 15 percent or a fraction—

26 “(A) the numerator of which is the sum, for the taxable year and all prior taxable
27 years, of proceeds of an issue of any obligations used to provide financing for the
28 qualified facility the interest on which is exempt from tax under section 103, and

29 “(B) the denominator of which is the aggregate amount of additions to the capital
30 account for the qualified facility for the taxable year and all prior taxable years.

31 The amounts under the preceding sentence for any taxable year shall be determined as of
32 the close of the taxable year.”.

33 (h) Rounding Adjustment.—Section 45(b)(2) is amended by striking “If any amount as
34 increased under the preceding sentence is not a multiple of 0.1 cent, such amount shall be
35 rounded to the nearest multiple of 0.1 cent” and inserting “If the 0.3 cent amount as
36 increased under the preceding sentence is not a multiple of 0.05 cent, such amount shall be
37 rounded to the nearest multiple of 0.05 cent. In any other case, if an amount as increased
38 under this paragraph is not a multiple of 0.1 cent, such amount shall be rounded to the
39 nearest multiple of 0.1 cent”.

40 (i) Conforming Amendment.—Section 45(b)(4)(A) is amended by striking “last sentence”

1 and inserting “last two sentences”.

2 (j) Effective Dates.—

3 (1) The amendments made by subsections (a), (b), (c), (d), (e), **(f), (h)**, and ~~(f)(i)~~ of this
4 section shall apply to facilities placed in service after December 31, 2021.

5 (2) The amendment made by subsection (g) shall apply to facilities the construction of
6 which begins after December 31, 2021.

7 SEC. 136102. EXTENSION AND MODIFICATION OF 8 ENERGY CREDIT.

9 (a) Extension of Credit.—The following provisions of section 48 are each amended by striking
10 “January 1, 2024” each place it appears and inserting “January 1, 2027”:

11 (1) Subsection (a)(2)(A)(i)(II).

12 (2) Subsection (a)(3)(A)(ii).

13 ~~(3) Subsection (a)(3)(A)(vii).~~

14 ~~(4) Subsection (c)(1)(D).~~

15 ~~(5)(4) Subsection (c)(2)(D).~~

16 **(5) Subsection (c)(4)(C).**

17 **(b) Further Extension for Certain Energy Property.—The following provisions of section**
18 **48 are each amended by striking “January 1, 2024” each place it appears and inserting**
19 **“January 1, 2034”:**

20 **(1) Subsection (a)(3)(A)(vii).**

21 ~~(2)(6) Subsection (c)(3)(A)(iv).~~

22 ~~(7) Subsection (e)(4)(C).~~

23 ~~(b)(c) Phaseout of Credit.—Section 48(a) is amended by striking paragraphs (6) and (7) and~~
24 ~~inserting the following new paragraph:~~

25 ~~“(6) PHASEOUT FOR CERTAIN ENERGY PROPERTY.—In property.—~~

26 ~~“(A) In general.—Subject to subparagraph (B), in the case of any qualified fuel cell~~
27 ~~property, qualified small wind property, waste energy recovery property, or energy property~~
28 ~~described in clause (i) or clause (ii) of paragraph (3)(A) the construction of which begins~~
29 ~~after December 31, 2019, and which is placed in service before January 1, 2022, the energy~~
30 ~~percentage determined under paragraph (2) shall be equal to 26 percent. percent.”.~~

31 ~~“(B) Placed in service deadline.—In the case of any qualified fuel cell property, qualified~~
32 ~~small wind property, waste energy recovery property, or energy property described in clause (i)~~
33 ~~or (ii) of paragraph (3)(A) the construction of which begins before January 1, 2027, and which is~~
34 ~~not placed in service before January 1, 2029, the energy percentage determined under paragraph~~
35 ~~(2) shall be equal to 0 percent.”.~~

36 ~~(e)(d) Base Energy Percentage Amount.—Section 48(a) is amended—~~

1 (1) in paragraph (2)(A)—

2 (A) in clause (i), by striking “30 percent” and inserting “6 percent”, and

3 (B) in clause (ii), by striking “10 percent” and inserting “2 percent”, and

4 (2) in paragraph (5)(A)(ii), by striking “30 percent” and inserting “6 percent”.

5 ~~(d)~~**(e)** 6 Percent Credit for Geothermal.—Section 48(a)(2)(A)(i)(II) is amended by striking
6 “paragraph (3)(A)(i)” and inserting “clause (i); **or** (iii); ~~or (vii)~~ of paragraph (3)(A)”.

7 ~~(e)~~**(f)** Energy Storage Technologies; Qualified Biogas Property; Microgrid Controllers;
8 Extension of Waste Energy Recovery Property.—

9 (1) IN GENERAL.—Section 48(a)(3)(A) is amended by striking “or” at the end of clause
10 ~~(viii)~~**(vii)**, and by adding at the end the following new clauses:

11 “(ix) energy storage technology,

12 “(x) qualified biogas property, or

13 “(xi) microgrid controllers.”

14 (2) APPLICATION OF 6 PERCENT CREDIT.—Section 48(a)(2)(A)(i) is amended by striking
15 “and” at the end of subclauses (IV) and (V) and adding at the end the following new
16 subclauses:

17 “(VI) energy storage technology,

18 “(VII) qualified biogas property, ~~and~~

19
20 “(VIII) microgrid controllers, **and**

21 “**(IX) energy property described in clauses (v) and (vii) of paragraph**
22 **(3)(A), and”.**

23 (3) DEFINITIONS.—Section 48(c) is amended by adding at the end the following new
24 paragraphs:

25 “(6) ENERGY STORAGE TECHNOLOGY.—

26 “(A) IN GENERAL.—The term ‘energy storage technology’ means property (other
27 than property primarily used in the transportation of goods or individuals and not for
28 the production of electricity) which receives, stores, and delivers energy for conversion
29 to electricity (or, in the case of hydrogen, which stores energy), and has a nameplate
30 capacity of not less than 5 kilowatt hours.

31 “(B) MODIFICATIONS OF CERTAIN PROPERTY.—In the case of any equipment which
32 either—

33 “(i) would be described in subparagraph (A) except that such equipment has a
34 capacity of less than 5 kilowatt hours and is modified such that such equipment
35 (after such modification) has a nameplate capacity of not less than 5 kilowatt
36 hours, or

37 “(ii) is described in subparagraph (A) and which has a capacity of not less than

1 5 kilowatt hours and is modified such that such equipment (after such
2 modification) has an increased nameplate capacity,

3 such equipment shall be treated as described in subparagraph (A) except that the basis
4 of any property which was part of such equipment before such modification shall not
5 be taken into account for purposes of this section. In the case of any property to which
6 this subparagraph applies, subparagraph (C) shall be applied by substituting
7 ‘modification’ for ‘construction’.

8 “(C) TERMINATION.—The term ‘energy storage technology’ shall not include any
9 property the construction of which does not begin before January 1, 2027.

10 “(7) QUALIFIED BIOGAS PROPERTY.—

11 “(A) IN GENERAL.—The term ‘qualified biogas property’ means property comprising
12 a system which—

13 “(i) converts biomass (as defined in section 45K(c)(3), as in effect on the date
14 of enactment of this paragraph) into a gas which—

15 “(I) consists of not less than 52 percent methane by volume, or

16 “(II) is concentrated by such system into a gas which consists of not less
17 than 52 percent methane, and

18 “(ii) captures such gas for sale or productive use, and not for disposal via
19 combustion.

20 “(B) INCLUSION OF CLEANING AND CONDITIONING PROPERTY.—The term ‘qualified
21 biogas property’ includes any property which is part of such system which cleans or
22 conditions such gas.

23 “(C) TERMINATION.—The term ‘qualified biogas property’ shall not include any
24 property the construction of which does not begin before January 1, 2027.

25 “(8) MICROGRID CONTROLLER.—

26 “(A) IN GENERAL.—The term ‘microgrid controller’ means equipment which is—

27 “(i) part of a qualified microgrid, and

28 “(ii) designed and used to monitor and control the energy resources and loads
29 on such microgrid.

30 “(B) QUALIFIED MICROGRID.—The term ‘qualified microgrid’ means an electrical
31 system which—

32 “(i) includes equipment which is capable of generating not less than 4 kilowatts
33 and not greater than 20 megawatts of electricity,

34 “(ii) is capable of operating—

35 “(I) in connection with the electrical grid and as a single controllable
36 entity with respect to such grid, and

37 “(II) independently (and disconnected) from such grid, and

38 “(iii) is not part of a bulk-power system (as defined in section 215 of the

1 Federal Power Act (16 U.S.C. 24o)).

2 “(C) TERMINATION.—The term ‘microgrid controller’ shall not include any property
3 the construction of which does not begin before January 1, 2027.”.

4 (4) DENIAL OF DOUBLE BENEFIT FOR QUALIFIED BIOGAS PROPERTY.—Section 45(e) is
5 amended by adding at the end the following new paragraph:

6 “(12) COORDINATION WITH ENERGY CREDIT FOR QUALIFIED BIOGAS PROPERTY.—The term
7 ‘qualified facility’ shall not include any facility which produces electricity from gas
8 produced by qualified biogas property (as defined in section 48(c)(7)) if a credit is
9 determined under section 48 with respect to such property for the taxable year or any prior
10 taxable year.”.

11 (5) EXTENSION OF WASTE ENERGY RECOVERY PROPERTY.—Section 48(c)(5)(D) is
12 amended by striking “January 1, 2024” and inserting “January 1, ~~2027~~: 2034”.

13 ~~(6)~~ (6) PHASEOUT OF CERTAIN OTHER ENERGY PROPERTY.—Section 48(a) is amended
14 by adding at the end the following new paragraph:

15 “(7) PHASEOUT FOR CERTAIN OTHER ENERGY PROPERTY.—In the case of any energy
16 property described in clause (v), (vii) or (viii) of paragraph (3)(A), the energy
17 percentage determined under paragraph (2) shall be equal to—

18 “(A) in the case of any property described in paragraph (3)(A)(viii) the
19 construction of which begins after December 31, 2019, and which is placed in
20 service before January 1, 2022, 26 percent,

21 “(B) in the case of any property the construction of which begins before
22 January 1, 2032, and which is placed in service after December 31, 2021, 6
23 percent,

24 “(C) in the case of any property the construction of which begins after
25 December 31, 2031 and before January 1, 2033, 5.2 percent, and

26 “(D) in the case of any property the construction of which begins after
27 December 31, 2032 and before January 1, 2034, 4.4 percent.”.

28 (g) Fuel Cells Using Electromechanical Processes.—

29 (1) IN GENERAL.—Section 48(c)(1) is amended—

30 (A) in subparagraph (A)(i)—

31 (i) by inserting “or electromechanical” after “electrochemical”, and

32 (ii) by inserting “(1 kilowatt in the case of a fuel cell power plant with a linear
33 generator assembly)” after “0.5 kilowatt”, and

34 (B) in subparagraph (C)—

35 (i) by inserting “, or linear generator assembly,” after “a fuel cell stack
36 assembly”, and

37 (ii) by inserting “or electromechanical” after “electrochemical”.

38 (2) LINEAR GENERATOR ASSEMBLY LIMITATION.—Section 48(c)(1) is amended by

1 redesignating subparagraph (D) as subparagraph (E) and by inserting after subparagraph (C)
2 the following new subparagraph:

3 “(D) LINEAR GENERATOR ASSEMBLY.—The term ‘linear generator assembly’ does
4 not include any assembly which contains rotating parts.”.

5 ~~(g)~~(h) Dynamic Glass.—Section 48(a)(3)(A)(ii) is amended by inserting “, or electrochromic
6 glass which uses electricity to change its light transmittance properties in order to heat or cool a
7 structure,” after “sunlight”.

8 ~~(h)~~(i) Coordination With Low Income Housing Tax Credit.—Paragraph (3) of section 50(c) of
9 the Internal Revenue Code of 1986 is amended—

10 (1) by striking “and” at the end of subparagraph (A),

11 (2) by striking the period at the end of subparagraph (B) and inserting “, and”, and

12 (3) by adding at the end the following new subparagraph:

13 “(C) paragraph (1) shall not apply for purposes of determining eligible basis under
14 section 42.”.

15 ~~(i)~~(j) Interconnection Property.—Section 48(a) is amended by adding at the end the following
16 new paragraph:

17 ~~“(7)”~~“(8) INTERCONNECTION PROPERTY.—

18 “(A) IN GENERAL.—For purposes of determining the credit under subsection (a),
19 energy property shall include amounts paid or incurred by the taxpayer for qualified
20 interconnection property in connection with the installation of energy property
21 (described in paragraph (3)(A)) which has a maximum net output of not greater than 5
22 megawatts, to provide for the transmission or distribution of the electricity produced or
23 stored by such property, and which are properly chargeable to the capital account of
24 the taxpayer.

25 “(B) QUALIFIED INTERCONNECTION PROPERTY.—The term ‘qualified interconnection
26 property’ means, with respect to an energy project which is not a microgrid controller,
27 any tangible property—

28 “(i) which is part of an addition, modification, or upgrade to a transmission or
29 distribution system which is required at or beyond the point at which the energy
30 project interconnects to such transmission or distribution system in order to
31 accommodate such interconnection,

32 “(ii) either—

33 “(I) which is constructed, reconstructed, or erected by the taxpayer, or

34 “(II) for which the cost with respect to the construction, reconstruction, or
35 erection of such property is paid or incurred by such taxpayer, and

36 “(iii) the original use of which, pursuant to an interconnection agreement,
37 commences with a utility.

38 “(C) INTERCONNECTION AGREEMENT.—The term ‘interconnection agreement’ means
39 an agreement with a utility for the purposes of interconnecting the energy property

1 owned by such taxpayer to the transmission or distribution system of such utility.

2 “(D) UTILITY.—The term ‘utility’ means the owner or operator of an electrical
3 transmission or distribution system which is subject to the regulatory authority of a
4 State or political subdivision thereof, any agency or instrumentality of the United
5 States, a public service or public utility commission or other similar body of any State
6 or political subdivision thereof, or the governing or ratemaking body of an electric
7 cooperative.

8 “(E) SPECIAL RULE FOR INTERCONNECTION PROPERTY.—In the case of expenses paid
9 or incurred for interconnection property, amounts otherwise chargeable to capital
10 account with respect to such expenses shall be reduced under rules similar to the rules
11 of section 50(c).”.

12 ~~(j)~~**(k)** Wage and Apprenticeship Requirements.—Section 48(a) is amended by adding at the
13 end the following new paragraphs:

14 ~~“(8)”~~**“(9) INCREASED CREDIT AMOUNT FOR ENERGY PROJECTS.—**

15 **“(A) IN GENERAL.—**

16 **“(i) RULE.—**In the case of any energy project which satisfies the requirements
17 of subparagraph (B), the amount of the credit determined under this subsection
18 (determined after the application of paragraphs (1) through ~~(7)~~**(8)** shall be equal
19 to such amount multiplied by 5 (determined without regard to this sentence).

20 **“(ii) ENERGY PROJECT DEFINED.—**For purposes of this subsection the term
21 ‘energy project’ means a project consisting of ~~multiple~~ **one or more** energy
22 properties that are part of a single project. The requirements of this paragraph
23 shall be applied to such project.

24 **“(B) PROJECT REQUIREMENTS.—**A project meets the requirements of this
25 subparagraph if it is one of the following:

26 **“(i) A project with a maximum net output of less than 1 megawatt of electrical
27 or thermal energy.**

28 **“(ii) A project the construction of which begins before the date that is 60 days
29 after the Secretary publishes guidance with respect to the requirements of
30 paragraphs ~~(9) and~~(10) **and (11).****

31 **“(iii) A project which satisfies the requirements of paragraphs ~~(9) and~~(10) **and**
32 **(11).****

33 ~~“(10)”—~~

34 ~~“(9) PREVAILING WAGE REQUIREMENTS.—~~

35 **“(A) IN GENERAL.—**The requirements described in this subparagraph with respect to
36 any energy project are that the taxpayer shall ensure that any laborers and mechanics
37 employed by contractors and subcontractors in—

38 **“(i) the construction of such energy project, and**

39 **“(ii) for the five-year period beginning on the date such project is originally
40 placed in service, the alteration or repair of such project,**

1 shall be paid wages at rates not less than the prevailing rates for construction,
2 alteration, or repair of a similar character in the locality as most recently determined by
3 the Secretary of Labor, in accordance with subchapter IV of chapter 31 of title 40,
4 United States Code.

5 “(B) CORRECTION AND PENALTY RELATED TO FAILURE TO SATISFY WAGE
6 REQUIREMENTS.—Rules similar to the rules of **clauses (i) through (iv) of section**
7 ~~45(b)(8)(B)~~ **45(b)(7)(B)** shall apply.

8 “(C) RECAPTURE.—The Secretary shall, by regulations or other guidance, provide
9 for recapturing the benefit of any increase in the credit allowed under **this** subsection
10 ~~(a)~~ by reason of **this** paragraph ~~(9)~~; with respect to any project which does not satisfy
11 the requirements under subparagraph (A) (after application of subparagraph (B)) for
12 the period described in clause (ii) of subparagraph (A) (but which does not cease to be
13 investment credit property within the meaning of section 50(a)). The period and
14 percentage of such recapture shall be determined under rules similar to the rules of
15 section 50(a).

16 ~~“(10)“(11)~~ **“(11) APPRENTICESHIP REQUIREMENTS.—**Rules similar to the rules of section
17 ~~45(b)(9)~~ **45(b)(8)** shall apply.

18 ~~“(11)“(12)~~ **“(12) DOMESTIC CONTENT BONUS CREDIT AMOUNT.—**

19 “(A) IN GENERAL.—In the case of any energy project which satisfies the requirement
20 under subparagraph (B), for purposes of applying paragraph (2) with respect to such
21 property, the energy percentage shall be increased by the applicable credit rate
22 increase.

23 “(B) REQUIREMENT.—Rules similar to the rules of section ~~45(b)(10)(B)~~ **45(b)(9)(B)**
24 shall apply.

25 “(C) APPLICABLE CREDIT RATE INCREASE.—For purposes of subparagraph (A), the
26 applicable credit rate increase shall be—

27 “(i) in the case of an energy project that does not satisfy the requirements of
28 paragraph ~~(8)(B)~~ **(9)(B)**, 2 percentage points, and

29 “(ii) in the case of an energy project that satisfies the requirements of paragraph
30 ~~(8)(B)~~ **(9)(B)**, 10 percentage points.

31 ~~“(12)“(13)~~ **“(13) PHASEOUT FOR ELECTIVE PAYMENT.—**Rules similar to the rules of section
32 ~~45(b)(11)~~ **45(b)(10)** shall apply.

33 ~~“(13)“(14)~~ **“(14) REGULATIONS AND GUIDANCE.—**The Secretary shall issue such regulations or
34 other guidance as the Secretary determines necessary or appropriate to carry out the
35 purposes of this subsection, including regulations or other guidance which provides for
36 requirements for recordkeeping or information reporting for purposes of establishing the
37 requirements of this subsection.”.

38 ~~(k)(I)~~ **(I) Special Rule for Property Financed by Tax-exempt Bonds.—**Section 48(a)(4) is
39 amended to read as follows:

40 “(4) SPECIAL RULE FOR PROPERTY FINANCED BY TAX-EXEMPT BONDS.—Rules similar to
41 the rule under section 45(b)(3) shall apply for purposes of this section.”.

1 ~~(1)(m)~~ Treatment of Certain Contracts Involving Energy Storage.—Section 7701(e)~~(3)~~ is
2 amended—

3 **(1) in paragraph (3)—**

4 **(A)** in subparagraph (A)(i), by striking “or” at the end of subclause (II), by striking
5 “and” at the end of subclause (III) and inserting “or”, and by adding at the end the
6 following new subclause:

7 “(IV) the operation of a storage facility, ~~or~~, **and**”, and

8 ~~(2)(B)~~ by adding at the end the following new subparagraph:

9 “(F) STORAGE FACILITY.—For purposes of subparagraph (A), the term ‘storage
10 facility’ means a facility which uses energy storage technology within the meaning of
11 section 48(c)(6).”, ~~and~~;

12 ~~(m)(2)~~ **in paragraph (4), by striking “or water treatment works facility” and**
13 **inserting “water treatment facility, or storage facility”.**

14 **(n)** Increase in Credit Rate for Energy Communities.—Section 48(a) is amended by adding at
15 the end the following new paragraph:

16 ~~“(14)“(15) INCREASE IN CREDIT RATE FOR ENERGY COMMUNITITES.— COMMUNITIES.—~~

17 “(A) IN GENERAL.—In the case of any energy project that is placed in service within
18 an energy community (**as defined in section 45(b)(11)(B)**), for purposes of applying
19 paragraph (2) with respect to such property, the energy percentage shall be increased
20 by the applicable credit rate increase.

21 “(B) APPLICABLE CREDIT RATE INCREASE.—For purposes of subparagraph (A), the
22 applicable credit rate increase shall be equal to—

23 “(i) in the case of any energy project that does not satisfy the requirements of
24 paragraph ~~(8)(B)~~**(9)(B)**, 2 percentage points, and

25 “(ii) in the case of any energy project that satisfies the requirements of
26 paragraph ~~(8)(B)~~**(9)(B)**, 10 percentage ~~points~~ **points**.”.

27 “(C) Energy community.—For purposes of this paragraph, the term ‘energy community’
28 means a census tract—

29 “(i) in which—

30 “(I) ~~for the calendar year in which construction of the energy property begins, not less than 5-~~
31 ~~percent of the employment in such tract is within the oil and gas sector,~~

32 “(II) ~~after December 31, 1999, a coal mine has closed, or~~

33
34 * 4 “(III) ~~after December 31, 2009, a coal fired electric generating unit has been retired, or~~

35 “(ii) which is immediately adjacent to any census tract described in clause (i).”.

36 **(n)** Conforming Amendment.—Section 48(a)(2)(A) is amended by striking “paragraphs (6)-
37 ~~and (7)” and inserting “paragraph (6)”.~~

1 (o) Effective Dates.—

2 (1) The amendments made by subsections (a), (b), (c), (d), (h), (i), (j), (l), (m), and (n) of
3 this section shall apply to property placed in service after December 31, 2021.

4 (2) The amendments made by subsections (e), (f), and (g) shall apply to property placed
5 in service after December 31, 2021, and, for any property the construction of which begins
6 prior to January 1, 2022, only to the extent of the basis thereof attributable to the
7 construction, reconstruction, or erection after December 31, 2021.

8 (3) The amendments made by subsection (k) shall apply to property the construction of
9 which begins after December 31, 2021.

10 **SEC. 136103. INCREASE IN ENERGY CREDIT FOR SOLAR**
11 **FACILITIES PLACED IN SERVICE IN CONNECTION**
12 **WITH LOW-INCOME COMMUNITIES.**

13 (a) In General.—Section 48 is amended by adding at the end the following new subsection:

14 “(e) Special Rules for Certain Solar and Wind Facilities Placed in Service in Connection With
15 Low-income Communities.—

16 “(1) IN GENERAL.—In the case of any qualified solar and wind facility with respect to
17 which the Secretary makes an allocation of environmental justice solar and wind capacity
18 limitation under paragraph (4)—

19 “(A) the energy percentage otherwise determined under subsection (a)(2) with
20 respect to any eligible property which is part of such facility shall be increased by—

21 “(i) in the case of a facility described in subclause (I) of paragraph (2)(A)(iii)
22 and not described in subclause (II) of such paragraph, 10 percentage points, and

23 “(ii) in the case of a facility described in subclause (II) of paragraph (2)(A)(iii),
24 20 percentage points, and

25 “(B) the increase in the credit determined under subsection (a) by reason of this
26 subsection for any taxable year with respect to all property which is part of such
27 facility shall not exceed the amount which bears the same ratio to the amount of such
28 increase (determined without regard to this subparagraph) as—

29 “(i) the environmental justice solar and wind capacity limitation allocated to
30 such facility, bears to

31 “(ii) the total megawatt nameplate capacity of such facility, as measured in
32 direct current.

33 “(2) QUALIFIED SOLAR AND WIND FACILITY.—For purposes of this subsection—

34 “(A) IN GENERAL.—The term ‘qualified solar and wind facility’ means any
35 facility—

36 “(i) which generates electricity solely from property described in section
37 45(d)(1) or in clause (i) or (vi) of subsection (a)(3)(A),

38 “(ii) which has a maximum net output of less than 5 megawatts, and

1 “(iii) which—

2 “(I) is located in a low-income community (as defined in section 45D(e))
3 or on Indian land (as defined in section 2601(2) of the Energy Policy Act of
4 1992 (25 U.S.C. 3501(2))), or

5 “(II) is part of a qualified low-income residential building project or a
6 qualified low-income economic benefit project.

7 “(B) QUALIFIED LOW-INCOME RESIDENTIAL BUILDING PROJECT.—A facility shall be
8 treated as part of a qualified low-income residential building project if—

9 “(i) such facility is installed on a residential rental building which participates
10 in a covered housing program (as defined in section 41411(a) of the Violence
11 Against Women Act of 1994 (34 U.S.C. 12491(a)(3)), a Housing Development
12 Fund Corporation cooperative under Article XI of the New York State Private
13 Housing Finance Law, a housing assistance program administered by the
14 Department of Agriculture under title V of the Housing Act of 1949, a housing
15 program administered by a tribally designated housing entity (as defined in
16 section 4(22) of the Native American Housing Assistance and Self-Determination
17 Act of 1996 (25 U.S.C. 4103(22))) or such other affordable housing programs as
18 the Secretary may provide, and

19 “(ii) the financial benefits of the electricity produced by such facility are
20 allocated equitably among the occupants of the dwelling units of such building.

21 “(C) QUALIFIED LOW-INCOME ECONOMIC BENEFIT PROJECT.—A facility shall be
22 treated as part of a qualified low-income economic benefit project if at least 50 percent
23 of the financial benefits of the electricity produced by such facility are provided to
24 households with income of—

25 “(i) less than 200 percent of the poverty line applicable to a family of the size
26 involved, or

27 “(ii) less than 80 percent of area median gross income (as determined under
28 section 142(d)(2)(B)).

29 “(D) FINANCIAL BENEFIT.—For purposes of subparagraphs (B) and (C), electricity
30 acquired at a below-market rate shall not fail to be taken into account as a financial
31 benefit.

32 “(3) ELIGIBLE PROPERTY.—For purposes of this section, the term ‘eligible property’
33 means energy property which is part of a facility described in section 45(d)(1) or in clause
34 (i) or (vi) of subsection (a)(3)(A), including energy storage property (described in
35 subsection (a)(3)(A)(viii)) installed in connection with such energy property.

36 “(4) ALLOCATIONS.—

37 “(A) IN GENERAL.—Not later than 270 days after the date of enactment of this
38 subsection, the Secretary shall establish a program to allocate amounts of
39 environmental justice solar and wind capacity limitation to qualified solar and wind
40 facilities.

41 “(B) LIMITATION.—The amount of environmental justice solar and wind capacity

1 limitation allocated by the Secretary under subparagraph (A) during any calendar year
2 shall not exceed the annual capacity limitation with respect to such year.

3 “(C) ANNUAL CAPACITY LIMITATION.—For purposes of this paragraph, the term
4 ‘annual capacity limitation’ means 1.8 gigawatts of direct current capacity for each of
5 calendar years 2022 through 2026, and zero thereafter.

6 “(D) CARRYOVER OF UNUSED LIMITATION.—If the annual capacity limitation for any
7 calendar year exceeds the aggregate amount allocated for such year under this
8 paragraph, such limitation for the succeeding calendar year shall be increased by the
9 amount of such excess. No amount may be carried under the preceding sentence to any
10 calendar year after 2026 except as provided in section 48F(i)(4)(D)(ii).

11 “(E) PLACED IN SERVICE DEADLINE.—

12 “(i) IN GENERAL.—Paragraph (1) shall not apply with respect to any property
13 which is placed in service after the date that is 4 years after the date of the
14 allocation with respect to the facility of which such property is a part.

15 “(ii) APPLICATION OF CARRYOVER.—Any amount of environmental justice solar
16 and wind capacity limitation which expires under clause (i) during any calendar
17 year shall be taken into account as an excess described in subparagraph (D) (or as
18 an increase in such excess) for such calendar year, subject to the limitation
19 imposed by the last sentence of such subparagraph.

20 “(F) SELECTION CRITERIA.—~~IN CRITERIA.—~~

21 “(i) **IN GENERAL.—In** determining to which qualified solar and wind facilities
22 to allocate environmental justice solar and wind capacity limitation under this
23 paragraph, the Secretary shall take into consideration which facilities will result
24 in—

25 ~~“(i)“(I)~~ **(I)** the greatest health and economic benefits, including the ability to
26 withstand extreme weather events, for individuals described in section
27 45D(e)(2),

28 ~~“(ii)“(II)~~ **(II)** the greatest employment and wages for such individuals, and

29 ~~“(iii)“(III)~~ **(III)** the greatest engagement with, outreach to, or ownership by,
30 such individuals, including through partnerships with local governments,
31 ~~Indian tribal governments (as defined in section 139E), and~~
32 ~~community-based organizations.~~ **community-based organizations, an**
33 **Indian tribal government (as defined in clause (ii)), or any Alaska Native**
34 **Corporation (as defined in section 3 of the Alaska Native Claims**
35 **Settlement Act (43 U.S.C. 1602(m)).**

36 “(ii) **INDIAN TRIBAL GOVERNMENT.—For purposes of this subparagraph,**
37 **the term ‘Indian tribal government’ means the recognized governing body of**
38 **any Indian or Alaska Native tribe, band, nation, pueblo, village, community,**
39 **component band, or component reservation, individually identified**
40 **(including parenthetically) in the list published most recently as of the date of**
41 **enactment of this subsection pursuant to section 104 of the Federally**
42 **Recognized Indian Tribe List Act of 1994 (25 U.S.C. 5131).**

1 “(G) DISCLOSURE OF ALLOCATIONS.—The Secretary shall, upon making an
2 allocation of environmental justice solar and wind capacity limitation under this
3 paragraph, publicly disclose the identity of the applicant, the amount of the
4 environmental justice solar and wind capacity limitation allocated to such applicant,
5 and the location of the facility for which such allocation is made.

6 “(5) RECAPTURE.—The Secretary shall, by regulations or other guidance, provide for
7 recapturing the benefit of any increase in the credit allowed under subsection (a) by reason
8 of this subsection with respect to any property which ceases to be property eligible for such
9 increase (but which does not cease to be investment credit property within the meaning of
10 section 50(a)). The period and percentage of such recapture shall be determined under rules
11 similar to the rules of section 50(a). To the extent provided by the Secretary, such recapture
12 may not apply with respect to any property if, within 12 months after the date the taxpayer
13 becomes aware (or reasonably should have become aware) of such property ceasing to be
14 property eligible for such increase, the eligibility of such property for such increase is
15 restored. The preceding sentence shall not apply more than once with respect to any
16 facility.”.

17 (b) Effective Date.—The amendments made by this section shall take effect on January 1,
18 2022.

19 **SEC. 136104. ELECTIVE PAYMENT FOR ENERGY** 20 **PROPERTY AND ELECTRICITY PRODUCED FROM** 21 **CERTAIN RENEWABLE RESOURCES, ETC.**

22 (a) In General.—Subchapter B of chapter 65 is amended by inserting after section 6416 the
23 following new section:

24 **“SEC. 6417. ELECTIVE PAYMENT OF APPLICABLE** 25 **CREDITS.**

26 “(a) In General.—In the case of a taxpayer making an election (at such time and in such
27 manner as the Secretary may provide) under this section with respect to any applicable credit
28 determined with respect to such taxpayer, such taxpayer shall be treated as making a payment
29 against the tax imposed by subtitle A (for the taxable year with respect to which such credit was
30 determined) equal to the amount of such credit.

31 “(b) Applicable Credit.—The term ‘applicable credit’ means each of the following:

32 “(1) So much of the renewable electricity production credit determined under section 45
33 as is attributable to qualified facilities which are originally placed in service after December
34 31, 2021, and with respect to which an election is made under subsection (c)(3).

35 “(2) The energy credit determined under section 48.

36 “(3) So much of the credit for carbon oxide sequestration determined under section 45Q
37 as is attributable to carbon capture equipment which is originally placed in service after
38 December 31, 2021, and with respect to which an election is made under subsection (c)(3).

39 “(4) The credit for alternative fuel vehicle refueling property allowed under section 30C.

1 “(5) The qualifying advanced energy project credit determined under section 48C.

2 “(c) Special Rules.—For purposes of this section—

3 “(1) APPLICATION TO TAX-EXEMPT AND GOVERNMENTAL ENTITIES.—In the case of any
4 organization exempt from the tax imposed by subtitle A, any State or local government (or
5 political subdivision thereof), the Tennessee Valley Authority, ~~or any an~~ **an** Indian tribal
6 government (~~within the meaning of section 139E~~); **(as defined in section 48(e)(4)(F)(ii)), or**
7 **any Alaska Native Corporation (as defined in section 3 of the Alaska Native Claims**
8 **Settlement Act (43 U.S.C. 1602(m))** which makes the election described in subsection (a),
9 any applicable credit shall be determined—

10 “(A) without regard to paragraphs (3) and (4)(A)(i) of section 50(b), and

11 “(B) by treating any property with respect to which such credit is determined as used
12 in a trade or business of the taxpayer.

13 “(2) APPLICATION TO PARTNERSHIPS AND S CORPORATIONS.—

14 “(A) IN GENERAL.—In the case of any applicable credit determined with respect to
15 any facility or property held directly by a partnership or S corporation, if such
16 partnership or S corporation makes an election under this subsection (in such manner
17 as the Secretary may provide) with respect to such credit—

18 “(i) the Secretary shall make a payment to such partnership or S corporation
19 equal to the amount of such credit,

20 “(ii) subsection (d) shall be applied with respect to such credit before
21 determining any partner’s distributive share, or shareholder’s pro rata share, of
22 such credit,

23 “(iii) any amount with respect to which the election in subsection (a) is made
24 shall be treated as tax exempt income for purposes of sections 705 and 1366, and

25 “(iv) a partner’s distributive share of such tax exempt income shall be based on
26 such partner’s distributive share of the otherwise applicable credit for each
27 taxable year.

28 “(B) COORDINATION WITH APPLICATION AT PARTNER OR SHAREHOLDER LEVEL.—In
29 the case of any partnership or S corporation, subsection (a) shall be applied at the
30 partner or shareholder level after application of subparagraph (A)(ii).

31 “(3) ELECTIONS.—

32 “(A) IN GENERAL.—Any election under this subsection shall be made not later than
33 the due date (including extensions of time) for the return of tax for the taxable year for
34 which the election is made, but in no event earlier than 270 days after the date of the
35 enactment of this section. Any such election, once made, shall be irrevocable. Except
36 as otherwise provided in this paragraph, any election under this subsection shall apply
37 with respect to any credit for the taxable year for which the election is made.

38 “(B) RENEWABLE ELECTRICITY PRODUCTION CREDIT.—In the case of the credit
39 described in subsection (b)(1), any election under this subsection shall—

40 “(i) apply separately with respect to each qualified facility,

1 “(ii) be made for the taxable year in which such qualified facility is originally
2 placed in service, and

3 “(iii) shall apply to such taxable year and all subsequent taxable years with
4 respect to such qualified facility.

5 “(C) CREDIT FOR CARBON OXIDE SEQUESTRATION.—In the case of the credit
6 described in subsection (b)(3), any election under this subsection shall—

7 “(i) apply separately with respect to the carbon capture equipment originally
8 placed in service by the taxpayer during a taxable year, and

9 “(ii) shall apply to such taxable year and all subsequent taxable years with
10 respect to such equipment.

11 “(4) TIMING.—The payment described in subsection (a) shall be treated as made on—

12 “(A) in the case of any government, or political subdivision, described in paragraph
13 (1) and for which no return is required under section 6011 or 6033(a), the later of the
14 date that a return would be due under section 6033(a) if such government or
15 subdivision were described in that section or the date on which such government or
16 subdivision submits a claim for credit or refund (at such time and in such manner as
17 the Secretary shall provide), and

18 “(B) in any other case, the later of the due date (determined without regard to
19 extensions) of the return of tax for the taxable year or the date on which such return is
20 filed.

21 “(5) TREATMENT OF PAYMENTS TO PARTNERSHIPS AND S CORPORATIONS.—For purposes
22 of section 1324 of title 31, United States Code, the payments under paragraph (2)(A)(ii)
23 shall be treated in the same manner as a refund due from a credit provision referred to in
24 subsection (b)(2) of such section.

25 “(6) ADDITIONAL INFORMATION.—As a condition of, and prior to, a payment under this
26 section, the Secretary may require such information or registration as the Secretary deems
27 necessary or appropriate for purposes of preventing duplication, fraud, improper payments,
28 or excessive payments under this section.

29 “(7) EXCESSIVE PAYMENT.—

30 “(A) IN GENERAL.—In the case of a payment made to a taxpayer under this
31 subsection or any amount treated as a payment which is made by the taxpayer under
32 subsection (a) which the Secretary determines constitutes an excessive payment, the
33 tax imposed on such taxpayer by chapter 1 for the taxable year in which such
34 determination is made shall be increased by an amount equal to the sum of—

35 “(i) the amount of such excessive payment, plus

36 “(ii) an amount equal to 20 percent of such excessive payment.

37 “(B) REASONABLE CAUSE.—Subparagraph (A)(ii) shall not apply if the taxpayer
38 demonstrates to the satisfaction of the Secretary that the excessive payment resulted
39 from reasonable cause.

40 “(C) EXCESSIVE PAYMENT DEFINED.—For purposes of this paragraph, the term

1 ‘excessive payment’ means, with respect to a facility for which an election is made
2 under this section for any taxable year, an amount equal to the excess of—

3 “(i) the amount of the payment made to the taxpayer under this subsection or
4 any amount treated as a payment which is made by the taxpayer under subsection
5 (a) with respect to such facility for such taxable year, over

6 “(ii) the amount of the credit which, without application of this subsection,
7 would be otherwise allowable (determined without regard to section 38(c)) under
8 this section with respect to such facility for such taxable year.

9 “(d) Denial of Double Benefit.—In the case of a taxpayer making an election under this
10 section with respect to an applicable credit, such credit shall be reduced to zero and shall, for any
11 other purposes under this title, be deemed to have been allowed to the taxpayer for such taxable
12 year.

13 “(e) Mirror Code Possessions.—In the case of any possession of the United States with a
14 mirror code tax system (as defined in section 24(k)), this section shall not be treated as part of
15 the income tax laws of the United States for purposes of determining the income tax law of such
16 possession unless such possession elects to have this section be so treated.

17 “(f) Basis Reduction and Recapture.—Except as otherwise provided in subsection (c)(1)(A),
18 rules similar to the rules of section 50 shall apply for purposes of this section.

19 “(g) Regulations.—The Secretary shall issue such regulations or other guidance as may be
20 necessary or appropriate to carry out the purposes of this section, including—

21 “(1) regulations or other guidance providing rules for determining a partner’s distributive
22 share of the tax exempt income described in subsection (c)(2)(A)(iii), and

23 “(2) guidance to ensure that the amount of the payment or deemed payment made under
24 this section is commensurate with the amount of the credit that would be otherwise
25 allowable (determined without regard to section 38(c)).”.

26 (b) Application With Respect to Real Estate Investment Trusts.—Section 50(d) is amended by
27 adding at the end the following: “In the case of a real estate investment trust making an election
28 under section 6417, paragraphs (1)(B) and (2)(B) of the section 46(e) referred to in paragraph (1)
29 of this subsection shall not apply to any qualified investment credit property of a real estate
30 investment trust.”.

31 (c) Gross-up of Payments in Case of Sequestration.—In the case of any payment made as a
32 refund due to an overpayment as a result of section 6417 of the Internal Revenue Code of 1986
33 after the date of the enactment of this Act to which sequestration applies, the amount of such
34 payment shall be increased to an amount equal to—

35 (1) such payment (determined before such sequestration), multiplied by

36 (2) the quotient obtained by dividing 1 by the amount by which 1 exceeds the percentage
37 reduction in such payment pursuant to such sequestration.

38 For purposes of this subsection, the term “sequestration” means any reduction in direct spending
39 ordered in accordance with a sequestration report prepared by the Director of the Office and
40 Management and Budget pursuant to the Balanced Budget and Emergency Deficit Control Act of
41 1985 or the Statutory Pay-As-You-Go Act of 2010.

1 (d) Clerical Amendment.—The table of sections for subchapter B of chapter 65 is amended by
2 inserting after the item relating to section 6416 the following new item:

3 “Sec.6417.Elective payment of applicable credits.”.

4 (e) In General.—The amendments made by this section shall apply to taxable years beginning
5 after December 31, 2021.

6 SEC. 136105. INVESTMENT CREDIT FOR ELECTRIC 7 TRANSMISSION PROPERTY.

8 (a) In General.—Subpart E of part IV of subchapter A of chapter 1 is amended by inserting
9 after section 48C the following new section:

10 “SEC. 48D. QUALIFYING ELECTRIC TRANSMISSION 11 PROPERTY.

12 “(a) Allowance of Credit.—For purposes of section 46, the qualifying electric transmission
13 property credit for any taxable year is an amount equal to 6 percent of the basis of qualifying
14 electric transmission property placed in service by the taxpayer during such taxable year.

15 “(b) Qualifying Electric Transmission Property.—For purposes of this section—

16 “(1) IN GENERAL.—The term ‘qualifying electric transmission property’ means tangible
17 property—

18 “(A) which is a qualifying electric transmission line or related transmission property,

19 “(B)(i) the construction, reconstruction, or erection of which is completed by the
20 taxpayer, or

21 “(ii) which is acquired by the taxpayer if the original use of such property
22 commences with the taxpayer, and

23 “(C) with respect to which depreciation (or amortization in lieu of depreciation) is
24 allowable.

25 “(2) QUALIFYING ELECTRIC TRANSMISSION ~~LINE.~~—~~THE LINE.~~—

26 “(A) IN GENERAL.—~~The~~ term ‘qualifying electric transmission line’ means an
27 electric transmission line which—

28 “~~(A)~~“(i) is capable of transmitting electricity at a voltage of not less than 275
29 kilovolts, ~~and~~

30 “~~(B)~~ or is a superconducting line, and

31 “(ii) has a transmission capacity of not less than 500 megawatts.

32 “(B) SUPERCONDUCTING LINE.—For purposes of subparagraph (A), the term
33 ‘superconducting line’ means a transmission line that conducts all of its current
34 over a superconducting material.

35 “(3) RELATED TRANSMISSION PROPERTY.—

36 “(A) IN GENERAL.—The term ‘related transmission property’ means, with respect to

1 any electric transmission line, any property which—

2 “(i) is listed as a ‘transmission plant’ in the Uniform System of Accounts for
3 the Federal Energy Regulatory Commission under part 101 of subchapter C of
4 chapter I of title 18, Code of Federal Regulations, and

5 “(ii) is—

6 “(I) necessary for the operation of such electric transmission line, or

7 “(II) conversion equipment along such electric transmission line.

8 “(B) CREDIT NOT ALLOWED SEPARATELY WITH RESPECT TO RELATED PROPERTY.—No
9 credit shall be allowed to any taxpayer under this section with respect to any related
10 transmission property unless such taxpayer is allowed a credit under this section with
11 respect to the qualifying electric transmission line to which such related transmission
12 property relates.

13 “(c) Application to Replacement and Upgraded Systems.—

14 “(1) IN GENERAL.—In the case of any qualifying electric transmission line (determined
15 without regard to this subsection) which replaces any existing electric transmission line—

16 “(A) the 500 megawatts referred to in subsection ~~(b)(2)(B)~~**(b)(2)(A)(ii)** shall be
17 increased by the transmission capacity of such existing electric transmission line, and

18 “(B) in no event shall the basis of such existing electric transmission line (or related
19 transmission property with respect to such existing electric transmission line) be taken
20 into account in determining the credit allowed under this section.

21 “(2) UPGRADES TREATED AS REPLACEMENTS.—For purposes of this subsection, any
22 upgrade of an existing electric transmission line shall be treated as a replacement of such
23 line.

24 “(d) Exception for Certain Property and Projects Already in Process.—

25 “(1) IN GENERAL.—No credit shall be allowed under this section with respect to—

26 “(A) any property that is selected **for cost allocation** in a regional transmission plan
27 ~~by a regional transmission organization or an independent system operator (as such~~
28 ~~terms are defined in paragraphs (27) and (28) of section 3 of the Federal Power Act (16~~
29 ~~U.S.C. 796))~~ **approved by a transmission planning region that was approved by**
30 **the Federal Energy Regulatory Commission** prior to January 1, 2022, or

31 “(B) any property if—

32 “(i) construction of such property begins before January 1, 2022, or

33 “(ii) construction of any portion of the qualifying electric transmission line to
34 which such property relates begins before such date.

35 “(2) WHEN CONSTRUCTION BEGINS.—For purposes of subparagraph (B) of paragraph (1),
36 construction of property begins when the taxpayer has begun on-site physical work of a
37 significant nature with respect to such property.

38 “(e) Certain Qualified Progress Expenditures Rules Made Applicable.—Rules similar to the
39 rules of subsections (c)(4) and (d) of section 46 (as in effect on the day before the enactment of

1 the Revenue Reconciliation Act of 1990) shall apply for purposes of this section.

2 “(f) Credit Adjustments; Wage and Apprenticeship Requirements.—

3 “(1) INCREASED CREDIT AMOUNT FOR APPLICABLE FACILITIES.—

4 “(A) IN GENERAL.—

5 “(i) RULE.—In the case of any applicable facility which satisfies the
6 requirements of subparagraph (B), the amount of the credit determined under
7 subsection (a) shall be such amount multiplied by 5 (determined without regard to
8 this sentence).

9 “(ii) APPLICABLE FACILITY DEFINED.—For purposes of this subsection, the term
10 ‘applicable facility’ means a qualifying electric transmission line and related
11 transmission property to which such qualifying electric transmission line relates.

12 “(B) APPLICABLE FACILITY REQUIREMENTS.—An applicable facility meets the
13 requirements of this subparagraph if it is one of the following:

14 “(i) An applicable facility the construction of which begins prior to the date that
15 is 60 days after the Secretary publishes guidance with respect to the requirements
16 of paragraphs (2) and (3).

17 “(ii) An applicable facility which satisfies the requirements of paragraphs (2)
18 and (3).

19 “(2) PREVAILING WAGE REQUIREMENTS.—Rules similar to the rules of section ~~48(a)(9)~~
20 **48(a)(10)** shall apply.

21 “(3) APPRENTICESHIP REQUIREMENTS.—Rules similar to the rules of section ~~45(b)(9)~~
22 **45(b)(8)** shall apply.

23 “(4) DOMESTIC CONTENT BONUS CREDIT AMOUNT.—Rules similar to the rules of section
24 ~~48(a)(11)~~ **48(a)(12)** shall apply.

25 “(5) PHASEOUT FOR ELECTIVE PAYMENT.—Rules similar to the rules of section ~~48(a)(12)~~
26 **48(a)(13)** shall apply.

27 “(g) Termination.—This section shall not apply to any qualifying electric transmission
28 property unless such property is placed in service before January 1, 2032.

29 “(h) Regulations and Guidance.—The Secretary shall issue such regulations or other guidance
30 as the Secretary determines necessary or appropriate to carry out the purposes of this subsection,
31 including regulations or other guidance which provides for requirements for recordkeeping or
32 information reporting for purposes of establishing the requirements of this subsection.”.

33 (b) Elective Payment of Credit.—Section 6417(b), as amended by the preceding provisions of
34 this Act, is amended by adding at the end the following new paragraph:

35 “(6) The qualifying electric transmission property credit determined under section 48D.”.

36 (c) Special Rule for Property Financed by Tax-exempt Bonds.—Section 48D, as added by
37 subsection (a), is amended by redesignating subsection (h) as subsection (i) and by inserting after
38 subsection (g) the following new subsection:

39 “(h) Special Rule for Property Financed by Tax-exempt Bonds.—Rules similar to the rules of

1 section 45(b)(3) shall apply.”.

2 (d) Conforming Amendments.—

3 (1) Section 46 is amended—

4 (A) by striking “and” at the end of paragraph (5),

5 (B) by striking the period at the end of paragraph (6) and inserting “, and”, and

6 (C) by adding at the end the following new paragraph:

7 “(7) the qualifying electric transmission property credit.”.

8 (2) Section 49(a)(1)(C) is amended—

9 (A) by striking “and” at the end of clause ~~(iv)~~(vii),

10 (B) by striking the period at the end of clause ~~(v)~~(viii) and inserting “, and”, and

11 (C) by adding at the end the following new clause:

12 “~~(vi)~~“(ix) the basis of any qualifying electric transmission property under
13 section 48D.”.

14 (3) Section 50(a)(2)(E) is amended by striking “or 48C(b)(2)” and inserting “48C(b)(2),
15 or 48D(e)”.

16 (4) The table of sections for subpart E of part IV of subchapter A of chapter 1 of such
17 Code is amended by inserting after the item relating to section 48C the following new item:

18 “Sec.48D.Qualifying electric transmission property.”.

19 (e) Effective Date.—

20 (1) IN GENERAL.—The amendments made by subsections (a), (b), and (d) of this section
21 shall apply to property placed in service after December 31, 2021.

22 (2) TAX-EXEMPT BONDS.—The amendment made by subsection (c) shall apply to
23 property the construction of which begins after December 31, 2021.

24 (3) EXCEPTION FOR CERTAIN PROPERTY AND PROJECTS ALREADY IN PROCESS.—For
25 exclusion of certain property and projects already in process, see section 48D(d) of the
26 Internal Revenue Code of 1986 (as added by this section).

27 SEC. 136106. EXTENSION AND MODIFICATION OF 28 CREDIT FOR CARBON OXIDE SEQUESTRATION.

29 (a) Modification of Carbon Oxide Capture Requirements.—Section 45Q(d) is amended to read
30 as follows:

31 “(d) Qualified Facility.—

32 “(1) IN GENERAL.—For purposes of this section, the term ‘qualified facility’ means a
33 facility which captures—

34 “(A) in the case of a direct air capture facility, not less than 1,000 metric tons of
35 qualified carbon oxide during the taxable year,

1 “(B) in the case of an electricity generating facility, not less than 18,750 metric tons
2 of qualified carbon oxide during the taxable year and not less than 75 percent by mass
3 of the carbon oxide that would otherwise be released into the atmosphere by such
4 facility during such taxable year, and

5 “(C) in the case of any other facility, not less than 12,500 metric tons of qualified
6 carbon oxide during the taxable year.

7 “(2) TERMINATION RULE.—The term ‘qualified facility’ means any industrial facility or
8 direct air capture facility—

9 “(A) the construction of which begins before January 1, 2032, and

10 “(B) either—

11 “(i) the construction of carbon capture equipment of which begins before such
12 date, or

13 “(ii) the original planning and design of which includes installation of carbon
14 capture equipment.”.

15 (b) Determination of Applicable Dollar Amount.—

16 (1) IN GENERAL.—Section 45Q(b)(1) is amended by ~~redesignating~~ **striking** subparagraph
17 (B) ~~as subparagraph (D)~~ and by inserting after subparagraph (A) the following new
18 subparagraphs:

19 “(B) SPECIAL RULE FOR DIRECT AIR CAPTURE FACILITIES.—For any qualified facility
20 described in subsection (d)(1)(A), the construction of which begins after December 31,
21 2021, the applicable dollar amount shall be an amount equal to the applicable dollar
22 amount otherwise determined with respect to such facility under subparagraph (A),
23 except that such subparagraph shall be applied—

24 “(i) in clause (i)(I) of such subparagraph, by substituting ‘\$36’ for ‘\$17’, and

25 “(ii) in clause (i)(II) of such subparagraph, by substituting ‘\$26’ for ‘\$12’.

26 “(C) APPLICABLE DOLLAR AMOUNT FOR ADDITIONAL CARBON CAPTURE
27 EQUIPMENT.—In the case of any qualified facility the construction of which begins
28 before January 1, 2022, if any additional carbon capture equipment is installed at such
29 facility and construction of such equipment began after December 31, 2021, the
30 applicable dollar amount shall be an amount equal to the applicable dollar amount
31 otherwise determined under subparagraph (A), except that such subparagraph shall be
32 applied by substituting ‘carbon capture equipment’ for ‘qualified facility’ each place it
33 appears.”.

34 (2) CONFORMING AMENDMENTS.—

35 (A) Section 45Q(b)(1)(A) is amended by striking “The applicable dollar amount”
36 and inserting “Except as provided in subparagraph (B), the applicable dollar amount”.

37 (B) Section 45Q(b)(1)(D), as redesignated by subparagraph (A), is amended by
38 striking “subparagraph (A)” and inserting “subparagraph (A), (B), or (C)”.

39 (C) Section 45Q(b)(2) is amended by inserting “Subject to paragraph (3)” before “in
40 the case”.

1 (c) Wage and Apprenticeship Requirements.—Section 45Q is amended by redesignating
2 subsection (h) as subsection (i) and inserting after subsection (g) following new subsection:

3 “(h) Increased Credit Amount for Qualified Facilities and Carbon Capture Equipment.—

4 “(1) IN GENERAL.—In the case of any qualified facility and any carbon capture equipment
5 which satisfy the requirements of paragraph (2), the amount of the credit determined under
6 subsection (a) shall be equal to such amount multiplied by 5 (determined without regard to
7 this sentence).

8 “(2) REQUIREMENTS.—The requirements described in this subparagraph are that—

9 “(A) with respect to any qualified facility the construction of which begins on or
10 after the date that is 60 days after the Secretary publishes guidance with respect to the
11 requirements of paragraphs (3) and (4), as well as any carbon capture equipment
12 placed in service at such facility—

13 “(i) subject to subparagraph (B) of paragraph (3), such facility and equipment
14 shall satisfy the requirements under subparagraph (A) of such paragraph, and

15 “(ii) ~~subject to subparagraph (D) of paragraph (4),~~ the construction of such
16 facility and equipment shall satisfy the requirements under ~~subparagraph (A) of~~
17 ~~such paragraph, and (4),~~

18 “(B) with respect to any carbon capture equipment the construction of which begins
19 after the date that is 60 days after the Secretary publishes guidance with respect to the
20 requirements of paragraphs (3) and (4), and which is installed at a qualified facility the
21 construction of which began prior to such date—

22 “(i) subject to subparagraph (B) of paragraph (3), such equipment satisfies the
23 requirements of subparagraphs (A) of such paragraph, and

24 “(ii) ~~subject to subparagraph (D) of paragraph (4),~~ the construction of such
25 **facility and** equipment shall satisfy the requirements under ~~subparagraph (A) of~~
26 ~~such paragraph. **paragraph (4), and**~~

27 “(C) **the construction of carbon capture equipment begins prior to the date that**
28 **is 60 days after the Secretary publishes guidance with respect to the requirements**
29 **of paragraphs (3) and (4), and such equipment is installed at a qualified facility**
30 **the construction of which begins prior to such date.**

31 “(3) PREVAILING WAGE REQUIREMENTS.—

32 “(A) IN GENERAL.—The requirements described in this subparagraph with respect to
33 any qualified facility and any carbon capture equipment placed in service at such
34 facility are that the taxpayer shall ensure that any laborers and mechanics employed by
35 contractors and subcontractors in—

36 “(i) in the case of—

37 “(I) any qualified facility described in subparagraph (A)(i) of paragraph
38 (2), the construction of such facility and carbon capture equipment placed in
39 service at such facility, or

40 “(II) any carbon capture equipment described in subparagraph (A)(ii) of

1 paragraph (2), the construction of such equipment, and

2 “(ii) for the period of the taxable year which is within the 12-year period
3 beginning on the date on which any carbon capture equipment is originally placed
4 in service at any qualified facility (as described in paragraphs (3)(A) and (4)(A) of
5 subsection (a)), the alteration or repair of such facility or such equipment,

6 shall be paid wages at rates not less than the prevailing rates for construction,
7 alteration, or repair of a similar character in the locality as most recently determined by
8 the Secretary of Labor, in accordance with subchapter IV of chapter 31 of title 40,
9 United States Code. For purposes of determining an increased credit amount under
10 paragraph (1) for a taxable year, the requirement under clause (ii) of this paragraph is
11 applied to such taxable year in which the alteration or repair of qualified facility
12 occurs.

13 “(B) CORRECTION AND PENALTY RELATED TO FAILURE TO SATISFY WAGE
14 REQUIREMENTS.—Rules similar to the rules of **clauses (i) through (iv) of section**
15 **45(b)(8)(B)** ~~45(b)(7)(B)~~ shall apply.

16 “(4) APPRENTICESHIP REQUIREMENTS.—Rules similar to the rules of section ~~45(b)(9)~~
17 **45(b)(8)** shall apply.

18 “(5) REGULATIONS AND GUIDANCE.—The Secretary shall issue such regulations or other
19 guidance as the Secretary determines necessary or appropriate to carry out the purposes of
20 this subsection, including regulations or other guidance which provides for requirements for
21 recordkeeping or information reporting for purposes of establishing the requirements of this
22 subsection.”.

23 (d) Increased Applicable Dollar Amount.—

24 (1) IN GENERAL.—Section 45Q(b)(1) is amended—

25 (A) by amending clause (i) of subparagraph (A) to read as follows:

26 “(i) for any taxable year beginning in a calendar year after 2016 and before
27 2027—

28 “(I) for purposes of paragraph (3) of subsection (a), \$17 for each calendar
29 year during such period, and

30 “(II) for purposes of paragraph (4) of such subsection, \$12 for each
31 calendar year during such period, and”, and

32 (B) in clause (ii)—

33 (i) in subclause (I), by striking “\$50” and inserting “the amount determined
34 under clause (i)(I) with respect to the qualified facility”, and

35 (ii) in subclause (II), by striking “\$35” and inserting “the amount determined
36 under clause (i)(II) with respect to the qualified facility”.

37 (e) Installation of Additional Carbon Capture Equipment on Certain Facilities.—Section
38 45Q(b) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after
39 paragraph (2) the following new paragraph:

40 “(3) INSTALLATION OF ADDITIONAL CARBON CAPTURE EQUIPMENT ON CERTAIN

1 FACILITIES.—In the case of a qualified facility described in paragraph (1)(C), for purposes
2 of determining the amount of qualified carbon oxide which is captured by the taxpayer,
3 rules similar to rules of paragraph (2) shall apply for purposes of subsection (a).”.

4 (f) Credit Reduced for Tax-exempt Bonds.—Section 45Q(f) is amended by adding at the end
5 the following new paragraph:

6 “(8) CREDIT REDUCED FOR TAX-EXEMPT BONDS.—Rules similar to the rule under section
7 45(b)(3) shall apply for purposes of this section.”.

8 (g) Application of Section for Certain Carbon Capture Equipment.—Section 45Q(g) is
9 amended by inserting “the earlier of January 1, 2023 and” before “the end of the calendar year”.

10 (h) Election.—Section 45Q(f) is amended by adding at the end the following new paragraph:

11 “(9) ELECTION.—For purposes of paragraphs (3) and (4) of subsection (a), a person
12 described in paragraph (3)(A)(ii) may elect, at such time and in such manner as the
13 Secretary may prescribe, to have the 12–year period begin on the first day of the first
14 taxable year in which a credit under this section is claimed with respect to carbon capture
15 equipment which is originally placed in service at a qualified facility on or after the date of
16 the enactment of the Bipartisan Budget Act of 2018 (after application of subsection (f)(6)
17 where applicable) if—

18 “(A) no taxpayer claimed a credit under this section with respect to such carbon
19 capture equipment for any prior taxable year,

20 “(B) the qualified facility at which such carbon capture equipment is placed in
21 service is located in an area affected by a federally–declared disaster (as defined by
22 section 165(i) (5)(A)) after the carbon capture equipment is originally placed in
23 service, and

24 “(C) such federally–declared disaster results in a cessation of the operation of the
25 qualified facility after the carbon capture equipment is originally placed in service.”.

26 (i) Effective Date.—~~The Dates.~~—

27 **(1) The amendments made by this section subsections (a), (b), (c), (d), (e), (f), and (g)**
28 **shall apply to facilities or equipment the construction of which begins after December 31,**
29 **2021.**

30 **(2) The amendments made by subsection (h) shall apply to carbon oxide captured**
31 **and disposed of after December 31, 2021.**

32 SEC. 136107. GREEN ENERGY PUBLICLY TRADED 33 PARTNERSHIPS.

34 (a) In General.—Section 7704(d)(1)(E) is amended—

35 (1) by striking “income and gains derived from the exploration” and inserting “income
36 and gains derived from—

37 “(i) the exploration”,

38 (2) by inserting “or” before “industrial source”, and

1 (3) by striking “, or the transportation or storage” and all that follows and inserting the
2 following:

3 “(ii) the generation of electric power or thermal energy exclusively using any
4 qualified energy resource (as defined in section 45(c)(1)),

5 “(iii) the operation of energy property (as defined in section 48(a)(3),
6 determined without regard to any date by which the construction of the facility is
7 required to begin),

8 “(iv) in the case of a facility described in paragraph (3) or (7) of section 45(d)
9 (determined without regard to any placed in service date or date by which
10 construction of the facility is required to begin), the accepting or processing of
11 open-loop biomass or municipal solid waste,

12 “(v) the transportation or storage of any fuel described in subsection (b), (c),
13 (d), or (e) of section 6426,

14 “(vi) the conversion of renewable biomass (as defined in subparagraph (I) of
15 section 211(o)(1) of the Clean Air Act (as in effect on the date of the enactment of
16 this clause)) into renewable fuel (as defined in subparagraph (J) of such section as
17 so in effect), or the storage or transportation of such fuel,

18 “(vii) the production, storage, or transportation of any fuel which—

19 “(I) uses as its primary feedstock carbon oxides captured from an
20 anthropogenic source or the atmosphere,

21 “(II) does not use as its primary feedstock carbon oxide which is
22 deliberately released from naturally occurring subsurface springs, and

23 “(III) is determined by the Secretary to achieve a reduction of not less than
24 a 60 percent in lifecycle greenhouse gas emissions (as defined in section
25 211(o)(1)(H) of the Clean Air Act, as in effect on the date of the enactment
26 of this clause) compared to baseline lifecycle greenhouse gas emissions (as
27 defined in section 211(o)(1)(C) of such Act, as so in effect), or

28 “(viii) a qualified facility (as defined in section 45Q(d), without regard to any
29 date by which construction of the facility is required to begin).”.

30 (b) Effective Date.—The amendments made by this section apply to taxable years beginning
31 after December 31, 2021.

32 SEC. 136108. ZERO-EMISSION NUCLEAR POWER 33 PRODUCTION CREDIT.

34 (a) In General.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue
35 Code of 1986 is amended by adding at the end the following new section:

36 “SEC. 45W. ZERO-EMISSION NUCLEAR POWER 37 PRODUCTION CREDIT.

38 “(a) Amount of Credit.—For purposes of section 38, the zero-emission nuclear power

1 production credit for any taxable year is an amount equal to the amount by which—

2 “(1) the product of—

3 “(A) 0.3 cents, multiplied by

4 “(B) the kilowatt hours of electricity—

5 “(i) produced by the taxpayer at a qualified nuclear power facility, and

6 “(ii) sold by the taxpayer to an unrelated person during the taxable year,
7 exceeds

8 “(2) the reduction amount for such taxable year.

9 “(b) Definitions.—

10 “(1) QUALIFIED NUCLEAR POWER FACILITY.—For purposes of this section, the term
11 ‘qualified nuclear power facility’ means any nuclear facility—

12 “(A) which is owned by the taxpayer and which uses nuclear energy to produce
13 electricity,

14 “(B) which is not an advanced nuclear power facility as defined in subsection (d)(1)
15 of section 45J, and

16 “(C) which is placed in service before the date of the enactment of this section.

17 “(2) REDUCTION AMOUNT.—

18 “(A) IN GENERAL.—For purposes of this section, the term ‘reduction amount’ means,
19 with respect to any qualified nuclear power facility for any taxable year, the amount
20 equal to the lesser of—

21 “(i) the amount determined under subsection (a)(1), or

22 “(ii) the amount equal to ~~80~~ **16** percent of the excess of—

23 “(I) subject to subparagraph (B), the gross receipts from any electricity
24 produced by such facility (including any electricity services or products
25 provided in conjunction with the electricity produced by such facility) and
26 sold to an unrelated person during such taxable year, over

27 “(II) the amount equal to the product of—

28 “(aa) ~~0.5 cents (or 2.5 cents for purposes of determining the amount~~
29 ~~of the credit for any facility described in subsection (d)(1)(A))~~ **2.5**
30 **cents**, multiplied by

31 “(bb) the amount determined under subsection (a)(1)(B).

32 “(B) TREATMENT OF CERTAIN RECEIPTS.—

33 “(i) IN GENERAL.—The amount determined under subparagraph (A)(ii)(I) shall
34 include any amount received by the taxpayer during the taxable year with respect
35 to the qualified nuclear power facility from a zero-emission credit program unless
36 the amount received by the taxpayer is subject to reduction—

37 “(I) by the full amount of the credit determined under this section, or

1 “(II) by any lesser amount if such amount entirely offsets the amount
2 received from a zero-emission credit program.

3 “(ii) ZERO-EMISSION CREDIT PROGRAM.—For purposes of this subparagraph, the
4 term ‘zero-emission credit program’ means any payments to a qualified nuclear
5 power facility as a result of any Federal, State or local government program for, in
6 whole or in part, the zero-emission, zero-carbon, or air quality attributes of any
7 portion of the electricity produced by such facility.

8 “(3) ELECTRICITY.—For purposes of this section, the term ‘electricity’ means the energy
9 produced by a qualified nuclear power facility from the conversion of nuclear fuel into
10 electric power.

11 “(c) Other Rules.—

12 “(1) INFLATION ADJUSTMENT.—The 0.3 cent amount in subsection (a)(1)(A) and the ~~0.5-~~
13 ~~cent (or 2.5 cents where applicable)~~ **2.5 cent** amount in subsection (b)(2)(A)(ii)(II)(aa) shall
14 each be adjusted by multiplying such amount by the inflation adjustment factor (as
15 determined under section 45(e)(2), as applied by substituting ‘calendar year 2022’ for
16 ‘calendar year 1992’ in subparagraph (B) thereof) for the calendar year in which the sale
17 occurs. ~~If any the 0.3 cent amount as increased under the preceding sentence this~~
18 **paragraph is not a multiple of 0.05 cent, such amount shall be rounded to the nearest**
19 **multiple of 0.05 cent. If the 2.5 cent amount as increased under this paragraph** is not a
20 multiple of 0.1 cent, such amount shall be rounded to the nearest multiple of 0.1 cent.

21 “(2) SPECIAL RULES.—Rules similar to the rules of paragraphs (1), (3), (4), and (5) of
22 section 45(e) shall apply for purposes of this section.

23 “(3) ULTIMATE PURCHASER.—For purposes of this section, electricity produced by the
24 taxpayer shall be treated as sold to an unrelated person if the ultimate purchaser of such
25 electricity is unrelated to such taxpayer.

26 “(d) Wage Requirements.—

27 “(1) INCREASED CREDIT AMOUNT FOR QUALIFIED NUCLEAR POWER FACILITIES.—In the
28 case of any qualified nuclear power facility which satisfies the requirements of paragraph
29 (2), the amount of the credit determined under subsection (a) shall be equal to such amount
30 multiplied by 5 (determined without regard to this sentence).

31 “(2) PREVAILING WAGE REQUIREMENTS.—

32 “(A) IN GENERAL.—The taxpayer shall ensure that any laborers and mechanics
33 employed by contractors and subcontractors in the alteration or repair of a facility shall
34 be paid wages at rates not less than the prevailing rates for alteration or repair of a
35 similar character in the locality as most recently determined by the Secretary of Labor,
36 in accordance with subchapter IV of chapter 31 of title 40, United States Code.

37 “(B) CORRECTION AND PENALTY RELATED TO FAILURE TO SATISFY WAGE
38 REQUIREMENTS.—Rules similar to the rules of **clauses (i) through (iv) of** section
39 ~~45(b)(8)(B)~~ **45(b)(7)(B)** shall apply.

40 “(3) REGULATIONS AND GUIDANCE.—The Secretary shall issue such regulations or other
41 guidance as the Secretary determines necessary or appropriate to carry out the purposes of

1 this subsection, including regulations or other guidance which provides for requirements for
2 recordkeeping or information reporting for purposes of establishing the requirements of this
3 subsection.

4 “(e) Termination.—This section shall not apply to taxable years beginning after December 31,
5 ~~2029.~~ 2027.”.

6 (b) Conforming Amendments.—

7 (1) Section 38(b) of the Internal Revenue Code of 1986 is amended—

8 (A) in paragraph (32), by striking “plus” at the end,

9 (B) in paragraph (33), by striking the period at the end and inserting “, plus”, and

10 (C) by adding at the end the following new paragraph:

11 “(34) the zero-emission nuclear power production credit determined under section
12 45W(a).”.

13 (2) The table of sections for subpart D of part IV of subchapter A of chapter 1 of such
14 Code is amended by adding at the end the following new item:

15 “Sec.45W.Zero-emission nuclear power production credit.”.

16 (c) Elective Payment of Credit.—Section 6417(b), as amended by the preceding provisions of
17 this Act, is amended by adding at the end the following new paragraph:

18 “(7) The zero-emission nuclear power production credit determined under section 45W.”.

19 (d) Effective Date.—This section shall apply to electricity produced and sold after December
20 31, 2021, in taxable years beginning after such date.

21 PART 2—RENEWABLE FUELS

22 SEC. 136201. EXTENSION OF INCENTIVES FOR 23 BIODIESEL, RENEWABLE DIESEL AND ALTERNATIVE 24 FUELS.

25 (a) Biodiesel and Renewable Diesel Credit.—Section 40A(g) is amended by striking
26 “December 31, 2022” and inserting “December 31, 2026”.

27 (b) Biodiesel Mixture Credit.—

28 (1) IN GENERAL.—Section 6426(c)(6) is amended by striking “December 31, 2022” and
29 inserting “December 31, 2026”.

30 (2) FUELS NOT USED FOR TAXABLE PURPOSES.—Section 6427(e)(6)(B) is amended by
31 striking “December 31, 2022” and inserting “December 31, 2026”.

32 (c) Alternative Fuel Credit.—Section 6426(d)(5) is amended by striking “December 31, 2021”
33 and inserting “December 31, 2026”.

34 (d) Alternative Fuel Mixture Credit.—Section 6426(e)(3) is amended by striking “December
35 31, 2021” and inserting “December 31, 2026”.

1 (e) Payments for Alternative Fuels.—Section 6427(e)(6)(C) is amended by striking
2 “December 31, 2021” and inserting “December 31, 2026”.

3 (f) Effective Date.—The amendments made by this section shall apply to fuel sold or used
4 after December 31, 2021.

5 **SEC. 136202. EXTENSION OF SECOND GENERATION**
6 **BIOFUEL INCENTIVES.**

7 (a) In General.—Section 40(b)(6)(J)(i) is amended by striking “2022” and inserting “2027”.

8 (b) Effective Date.—The amendment made by subsection (a) shall apply to qualified second
9 generation biofuel production after December 31, 2021.

10 **SEC. 136203. SUSTAINABLE AVIATION FUEL CREDIT.**

11 (a) In General.—Subpart D of part IV of subchapter A of chapter 1 is amended by inserting
12 after section 40A the following new section:

13 **“SEC. 40B. SUSTAINABLE AVIATION FUEL CREDIT.**

14 “(a) In General.—For purposes of section 38, the sustainable aviation fuel credit for the
15 taxable year is, with respect to any sale or use of a qualified mixture which occurs during such
16 taxable year, an amount equal to the product of—

17 “(1) the number of gallons of sustainable aviation fuel in such mixture, multiplied by

18 “(2) the sum of—

19 “(A) \$1.25, plus

20 “(B) the applicable supplementary amount with respect to such sustainable aviation
21 fuel.

22 “(b) Applicable Supplementary Amount.—For purposes of this section, the term ‘applicable
23 supplementary amount’ means, with respect to any sustainable aviation fuel, an amount equal to
24 \$0.01 for each percentage point by which the lifecycle greenhouse gas emissions reduction
25 percentage with respect to such fuel exceeds 50 percent. In no event shall the applicable
26 supplementary amount determined under this subsection exceed \$0.50.

27 “(c) Qualified Mixture.—For purposes of this section, the term ‘qualified mixture’ means a
28 mixture of sustainable aviation fuel and kerosene if—

29 “(1) such mixture is produced by the taxpayer in the United States,

30 “(2) such mixture is used by the taxpayer (or sold by the taxpayer for use) in an aircraft,

31 “(3) such sale or use is in the ordinary course of a trade or business of the taxpayer, and

32 “(4) the transfer of such mixture to the fuel tank of such aircraft occurs in the United
33 States.

34 “(d) Sustainable Aviation Fuel.—For purposes of this section, the term ‘sustainable aviation
35 fuel’ means liquid fuel which—

36 “(1) meets the requirements of—

1 “(A) ASTM International Standard D7566, or

2 “(B) the Fischer Tropsch provisions of ASTM International Standard D1655, Annex
3 A1,

4 “(2) is not derived from palm fatty acid distillates or petroleum, and

5 “(3) has been certified in accordance with subsection (e) as having a lifecycle greenhouse
6 gas emissions reduction percentage of at least 50 percent.

7 “(e) Lifecycle Greenhouse Gas Emissions Reduction Percentage.—For purposes of this
8 section, the term ‘lifecycle greenhouse gas emissions reduction percentage’ means, with respect
9 to any sustainable aviation fuel, the percentage reduction in lifecycle greenhouse gas
10 emissions—

11 “(1) as defined in accordance with—

12 “(A) the most recent Carbon Offsetting and Reduction Scheme for International
13 Aviation which has been adopted by the International Civil Aviation Organization with
14 the agreement of the United States, or

15 “(B) any similar methodology which satisfies the criteria under section 211(o)(1)(H)
16 of the Clean Air Act (42 U.S.C. 7545(o)(1)(H)), and

17 “(2) achieved by such fuel as compared with petroleum-based jet fuel.

18 “(f) Registration of Sustainable Aviation Fuel Producers.—No credit shall be allowed under
19 this section with respect to any sustainable aviation fuel unless the producer of such fuel is
20 registered with the Secretary under section 4101 and has provided such other information with
21 respect to such fuel as the Secretary may require for purposes of carrying out this section.

22 “(g) Coordination With Credit Against Excise Tax.—The amount of the credit determined
23 under this section with respect to any sustainable aviation fuel shall, under rules prescribed by
24 the Secretary, be properly reduced to take into account any benefit provided with respect to such
25 sustainable aviation fuel solely by reason of the application of section 6426 or 6427(e).

26 “(h) Termination.—This section shall not apply to any sale or use after December 31, 2026.”.

27 (b) Credit Made Part of General Business Credit.— Section 38(b) is amended by striking
28 “plus” at the end of paragraph (33), by striking the period at the end of paragraph (34) and
29 inserting “, plus”, and by inserting after paragraph (34) the following new paragraph:

30 “(35) the sustainable aviation fuel credit determined under section 40B.”.

31 (c) Coordination With Biodiesel Incentives.—

32 (1) IN GENERAL.—Section 40A(d)(1) is amended by inserting “or 40B” after “determined
33 under section 40”.

34 (2) CONFORMING AMENDMENT.—Section 40A(f) is amended by striking paragraph (4).

35 (d) Sustainable Aviation Fuel Added to Credit for Alcohol Fuel, Biodiesel, and Alternative
36 Fuel Mixtures.—

37 (1) IN GENERAL.—Section 6426 is amended by adding at the end the following new
38 subsection:

1 “(k) Sustainable Aviation Fuel Credit.—

2 “(1) IN GENERAL.—For purposes of this section, the sustainable aviation fuel credit for
3 the taxable year is, with respect to any sale or use of a qualified mixture, an amount equal to
4 the product of—

5 “(A) the number of gallons of sustainable aviation fuel in such mixture, multiplied
6 by

7 “(B) the sum of—

8 “(i) \$1.25, plus

9 “(ii) the applicable supplementary amount with respect to such sustainable
10 aviation fuel.

11 “(2) APPLICABLE SUPPLEMENTARY AMOUNT.—For purposes of this subsection, the term
12 ‘applicable supplementary amount’ has the meaning given such term in section 40B(b).

13 “(3) OTHER DEFINITIONS.—Any term used in this subsection which is also used in section
14 40B shall have the meaning given such term by section 40B.

15 “(4) REGISTRATION REQUIREMENT.—For purposes of this subsection, rules similar to the
16 rules of section 40B(f) shall apply.”.

17 (2) CONFORMING AMENDMENTS.—

18 (A) Section 6426 is amended—

19 (i) in subsection (a)(1), by striking “and (e)” and inserting “(e), and (k)”, and

20 (ii) in subsection (h), by striking “under section 40 or 40A” and inserting
21 “under section 40, 40A, or 40B”.

22 (B) Section 6427(e)(6) is amended by striking the “and” at the end of subparagraph
23 (C), by striking the period at the end of subparagraph (D) and inserting “, and”, and by
24 adding at the end the following new subparagraph:

25 “(E) any qualified mixture of sustainable aviation fuel (as defined in section
26 6426(k)(3)) sold or used after December 31, 2026.”.

27 (C) Section 6427(e) is amended in the heading by striking “or Alternative Fuel” and
28 inserting, “Alternative Fuel, or Sustainable Aviation Fuel”.

29 (D) Section 6427(e)(1) is amended by inserting “or the sustainable aviation fuel
30 mixture credit” after “alternative fuel mixture credit”.

31 (E) Section 4101(a)(1) is amended by inserting “every person producing sustainable
32 aviation fuel (as defined in section 40B or section 6426(k)(3)),” before “and every
33 person producing second generation biofuel”.

34 (e) Guidance.—Under rules prescribed by the Secretary of the Treasury (or the Secretary’s
35 delegate), the amount of the credit allowed under section 40B of the Internal Revenue Code of
36 1986 (as added by this subsection) shall be properly reduced to take into account any benefit
37 provided with respect to sustainable aviation fuel (as defined in such section 40B) by reason of
38 the application of section 6426 or section 6427(e).

1 (f) Amount of Credit Included in Gross Income.—Section 87 is amended by striking “and” in
2 paragraph (1), by striking the period at the end of paragraph (2) and inserting “, and”, and by
3 adding at the end the following new paragraph:

4 “(3) the sustainable aviation fuel credit determined with respect to the taxpayer for the
5 taxable year under section 40B(a).”.

6 (g) Effective Date.—The amendments made by this section shall apply to fuel sold or used
7 after December 31, 2022.

8 SEC. 136204. CLEAN HYDROGEN.

9 (a) Credit for Production of Clean Hydrogen.—

10 (1) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 is amended by
11 adding at the end the following new section:

12 “SEC. 45X. CREDIT FOR PRODUCTION OF CLEAN 13 HYDROGEN.

14 “(a) Amount of Credit.—For purposes of section 38, the clean hydrogen production credit for
15 any taxable year is an amount equal to the product of—

16 “(1) the applicable amount, multiplied by

17 “(2) the kilograms of qualified clean hydrogen produced by the taxpayer during such
18 taxable year at a qualified clean hydrogen production facility during the 10-year period
19 beginning on the date such facility was originally placed in service.

20 “(b) Applicable Amount.—

21 “(1) IN GENERAL.—For purposes of subsection (a)(1), the applicable amount shall be an
22 amount equal to the applicable percentage of \$0.60. If any amount as determined under the
23 preceding sentence is not a multiple of 0.1 cent, such amount shall be rounded to the nearest
24 multiple of 0.1 cent.

25 “(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the term ‘applicable
26 percentage’ shall be determined as follows:

27 “(A) In the case of any qualified clean hydrogen which is produced by a facility that
28 is placed in service before January 1, 2027 through a process that results in a lifecycle
29 greenhouse gas emissions rate of—

30 “(i) not greater than 6 kilograms of CO₂e per kilogram of hydrogen, and

31 “(ii) not less than 4 kilograms of CO₂e per kilogram of hydrogen,

32 the applicable percentage shall be ~~8.4~~ **15** percent.

33 “(B) In the case of any qualified clean hydrogen which is produced through a
34 process that results in a lifecycle greenhouse gas emissions rate of—

35 “(i) less than 4 kilograms of CO₂e per kilogram of hydrogen, and

36 “(ii) not less than 2.5 kilograms of CO₂e per kilogram of hydrogen,

1 the applicable percentage shall be 20 percent.

2 “(C) In the case of any qualified clean hydrogen which is produced through a
3 process that results in a lifecycle greenhouse gas emissions rate of—

4 “(i) less than 2.5 kilograms of CO₂e per kilogram of hydrogen, and

5 “(ii) not less than 1.5 kilograms of CO₂e per kilogram of hydrogen,

6 the applicable percentage shall be ~~33.4~~ **25** percent.

7 “(D) In the case of any qualified clean hydrogen which is produced through a
8 process that results in a lifecycle greenhouse gas emissions rate of—

9 “(i) less than 1.5 kilograms of CO₂e per kilogram of hydrogen, and

10 “(ii) not less than 0.45 kilograms of CO₂e per kilogram of hydrogen,

11 the applicable percentage shall be ~~50~~ **33.4** percent.

12 “(E) In the case of any qualified clean hydrogen which is produced through a
13 process that results in a lifecycle greenhouse gas emissions rate of less than 0.45
14 kilograms of CO₂e per kilogram of hydrogen, the applicable percentage shall be 100
15 percent.

16 “(3) INFLATION ADJUSTMENT.—The \$0.60 amount in paragraph (1) shall be adjusted by
17 multiplying such amount by the inflation adjustment factor (as determined under section
18 45(e)(2), determined by substituting ‘2020’ for ‘1992’ in subparagraph (B) thereof) for the
19 calendar year in which the qualified clean hydrogen is produced. If any amount as increased
20 under the preceding sentence is not a multiple of 0.1 cent, such amount shall be rounded to
21 the nearest multiple of 0.1 cent.

22 “(c) Definitions.—For purposes of this section—

23 “(1) LIFECYCLE GREENHOUSE GAS EMISSIONS.—

24 “(A) IN GENERAL.—Subject to subparagraph (B), the term ‘lifecycle greenhouse gas
25 emissions’ has the same meaning given such term under subparagraph (H) of section
26 211(o)(1) of the Clean Air Act (42 U.S.C. 7545(o)(1)), as in effect on the date of
27 enactment of this section.

28 “(B) GREET MODEL.—The term ‘lifecycle greenhouse gas emissions’ shall only
29 include emissions through the point of production (**well-to-gate**), as determined under
30 the most recent Greenhouse gases, Regulated Emissions, and Energy use in
31 Transportation model (commonly referred to as the ‘GREET model’) developed by
32 Argonne National Laboratory, or a successor model (as determined by the Secretary).

33 “(2) QUALIFIED CLEAN HYDROGEN.—

34 “(A) IN GENERAL.—The term ‘qualified clean hydrogen’ means hydrogen which is
35 produced through a process that results in a lifecycle greenhouse gas emissions rate of
36 not greater than 6 kilograms of CO₂e per kilogram of hydrogen.

37 “(B) ADDITIONAL REQUIREMENTS.—Such term shall not include any hydrogen
38 unless such hydrogen is produced—

39 “(i) in the United States (as defined in section 638(1) or a possession of the

1 United States (as defined in section 638(2)),

2 “(ii) in the ordinary course of a trade or business of the taxpayer, and

3 “(iii) for sale or use, as verified by an unrelated third party of such production
4 and sale or use in such form or manner as the Secretary may prescribe under
5 subsection (f)(2).

6 “(3) QUALIFIED CLEAN HYDROGEN PRODUCTION FACILITY.—

7 “(A) IN GENERAL.—The term ‘qualified clean hydrogen production facility’ means a
8 facility owned by the taxpayer which produces qualified clean hydrogen and which
9 meets the requirements of subparagraph (B).

10 “(B) TERMINATION.—The term ‘qualified clean hydrogen production facility’ shall
11 not include any facility the construction of which begins after December 31, 2028.

12 “(d) Special Rules.—

13 “(1) TREATMENT OF FACILITIES OWNED BY MORE THAN 1 TAXPAYER.—Rules similar to the
14 rules section 45(e)(3) shall apply for purposes of this section.

15 “(2) COORDINATION WITH CREDIT FOR CARBON OXIDE SEQUESTRATION.—No credit shall
16 be allowed under this section with respect to any qualified clean hydrogen produced at a
17 facility which includes carbon capture equipment for which a credit is allowed to any
18 taxpayer under section 45Q for the taxable year or any prior taxable year.

19 “(e) Increased Credit Amount for Qualified Clean Hydrogen Production Facilities.—

20 “(1) IN GENERAL.—In the case of any qualified clean hydrogen production facility which
21 satisfies the requirements of paragraph (2), the amount of the credit determined under
22 subsection (a) with respect to qualified clean hydrogen described in subsection (b)(2) shall
23 be equal to such amount multiplied by 5 (determined without regard to this sentence).

24 “(2) REQUIREMENTS.—A facility meets the requirements of this subparagraph if it is one
25 of the following:

26 “(A) A facility—

27 “(i) the construction of which begins prior to the date that is 60 days after the
28 Secretary publishes guidance with respect to the requirements of paragraphs (3)
29 and (4), and

30 “(ii) which meets the requirements of paragraph (3) with respect to
31 construction, alteration, or repair of facilities which occurs after such date, ~~and~~.

32 “(B) A facility which satisfies the requirements of paragraphs (3) and (4).

33 “(3) PREVAILING WAGE REQUIREMENTS.—

34 “(A) IN GENERAL.—The requirements described in this subparagraph with respect to
35 any qualified clean hydrogen production facility are that the taxpayer shall ensure that
36 any laborers and mechanics employed by contractors and subcontractors in—

37 “(i) the construction of such facility, and

38 “(ii) for the period of the taxable year which is within the 10-year period

1 beginning on the date the facility was originally placed in service, the alteration or
2 repair of such facility,

3 shall be paid wages at rates not less than the prevailing rates for construction,
4 alteration, or repair of a similar character in the locality as most recently determined by
5 the Secretary of Labor, in accordance with subchapter IV of chapter 31 of title 40,
6 United States Code. For purposes of determining an increased credit amount under
7 paragraph (1) for a taxable year, the requirement under clause (ii) of this paragraph is
8 applied to such taxable year in which the alteration or repair of qualified facility
9 occurs.

10 “(B) CORRECTION AND PENALTY RELATED TO FAILURE TO SATISFY WAGE
11 REQUIREMENTS.—Rules similar to the rules of **clauses (i) through (iv) of section**
12 ~~45(b)(8)(B)~~ **45(b)(7)(B)** shall apply.

13 “(4) APPRENTICESHIP REQUIREMENTS.—Rules similar to the rules of section ~~45(b)(9)~~
14 **45(b)(8)** shall apply.

15 “(5) REGULATIONS AND GUIDANCE.—The Secretary shall issue such regulations or other
16 guidance as the Secretary determines necessary or appropriate to carry out the purposes of
17 this subsection, including regulations or other guidance which provides for requirements for
18 recordkeeping or information reporting for purposes of establishing the requirements of this
19 subsection.

20 “(f) Regulations.—Not later than 1 year after the date of enactment of this section, the
21 Secretary shall issue regulations or other guidance to carry out the purposes of this section,
22 including regulations or other guidance—

23 “(1) for determining lifecycle greenhouse gas emissions, and

24 “(2) which require verification by unrelated third parties of the production and sale or use
25 of qualified clean hydrogen with respect to which credit is otherwise allowed under this
26 section.”.

27 (2) ELECTIVE PAYMENT OF CREDIT.—

28 (A) IN GENERAL.—Section 6417(b), as amended by the preceding provisions of this
29 Act, is amended by adding at the end the following new paragraph:

30 “(8) So much of the the credit for production of clean hydrogen determined under section
31 45X as is attributable to qualified clean hydrogen production facilities which are originally
32 placed in service after December 31, 2011, and with respect to which an election is made
33 under subsection (c)(3).”.

34 (B) ELECTION.—Section 6417(c)(3), as amended by the preceding provisions of this
35 Act, is amended by adding at the end the following new subparagraph:

36 “(D) CREDIT FOR PRODUCTION OF CLEAN HYDROGEN.—In the case of the credit
37 described in subsection (b)(8), any election under this subsection shall—

38 “(i) apply separately with respect to each qualified clean hydrogen production
39 facility,

40 “(ii) be made for the taxable year in which the facility is placed in service (or

1 within 90 days of date of enactment in the case of facilities placed in service
2 before December 31, 2021),

3 “(iii) shall apply to such taxable year and all subsequent taxable years with
4 respect to such facility.”.

5 (3) CREDIT REDUCED FOR TAX-EXEMPT BONDS.—Section 45X(d), as added by this section,
6 is amended by adding at the end the following new paragraph:

7 “(3) CREDIT REDUCED FOR TAX-EXEMPT BONDS.—Rules similar to the rule under section
8 45(b)(3) shall apply for purposes of this section.”.

9 (4) CONFORMING AMENDMENTS.—

10 (A) Section 38(b) is amended—

11 (i) in paragraph (34), by striking “plus” at the end,

12 (ii) in paragraph (35), by striking the period at the end and inserting “, plus”,
13 and

14 (iii) by adding at the end the following new paragraph:

15 “(36) the clean hydrogen production credit determined under section 45X(a).”.

16 (B) The table of sections for subpart D of part IV of subchapter A of chapter 1
17 amended by adding at the end the following new item:

18 “Sec.45X.Credit for production of clean hydrogen.”.

19 (5) EFFECTIVE DATES.—

20 (A) The amendments made by paragraphs (1), (2), and (4) of this subsection shall
21 apply to hydrogen produced after December 31, 2021.

22 (B) The amendment made by paragraph (3) shall apply to facilities the construction
23 of which begins after December 31, 2021.

24 (b) Credit for Electricity Produced From Renewable Resources Allowed if Electricity Is Used
25 to Produce Clean Hydrogen.—

26 (1) IN GENERAL.—Section 45(e) is amended by adding at the end the following new
27 paragraph:

28 “(13) SPECIAL RULE FOR ELECTRICITY USED AT A QUALIFIED CLEAN HYDROGEN
29 PRODUCTION FACILITY.—Electricity produced by the taxpayer shall be treated as sold by
30 such taxpayer to an unrelated person during the taxable year if such electricity is used
31 during such taxable year by the taxpayer or a person related to the taxpayer at a qualified
32 clean hydrogen production facility (as defined in section 45X(c)(3)) to produce qualified
33 clean hydrogen (as defined in section 45X(c)(2)) during the 10 year period after such
34 facility is placed in service. The Secretary shall issue such regulations or other guidance as
35 the Secretary determines appropriate to carry out the purposes of this paragraph, including
36 regulations or other guidance to require verification by unrelated third parties of the
37 production and use of electricity to which this paragraph applies.”.

38 (2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to electricity
39 produced after December 31, 2021.

1 (c) Election to Treat Clean Hydrogen Production Facilities as Energy Property.—

2 (1) IN GENERAL.—Section 48(a) is amended by adding at the end the following new
3 paragraph:

4 ~~“(15)“(16)~~ ELECTION TO TREAT CLEAN HYDROGEN PRODUCTION FACILITIES AS ENERGY
5 PROPERTY.—

6 “(A) IN GENERAL.—In the case of any qualified property (as defined in paragraph
7 (5)(D)) which is part of a specified clean hydrogen production facility—

8 “(i) such property shall be treated as energy property for purposes of this
9 section, and

10 “(ii) the energy percentage with respect to such property is—

11 “(I) in the case of a facility which is designed and reasonably expected to
12 produce qualified clean hydrogen which is described in a subparagraph (A)
13 of section 45X(b)(2), ~~0.5~~ **0.9** percent,

14 “(II) in the case of a facility which is designed and reasonably expected to
15 produce qualified clean hydrogen which is described in a subparagraph (B)
16 of such section, 1.2 percent,

17 “(III) in the case of a facility which is designed and reasonably expected to
18 produce qualified clean hydrogen which is described in a subparagraph (C)
19 of such section, ~~2~~ **1.5** percent,

20 “(IV) in the case of a facility which is designed and reasonably expected
21 to produce qualified clean hydrogen which is described in a subparagraph
22 (D) of such section, ~~3~~ **2** percent, and

23 “(V) in the case of a facility which is designed and reasonably expected to
24 produce qualified clean hydrogen which is described in subparagraph (E) of
25 such section, 6 percent.

26 “(B) DENIAL OF PRODUCTION CREDIT.—No credit shall be allowed under section
27 45X or section 45Q for any taxable year with respect to any specified clean hydrogen
28 production facility or any carbon capture equipment included at such facility.

29 “(C) SPECIFIED CLEAN HYDROGEN PRODUCTION FACILITY.—For purposes of this
30 paragraph, the term ‘specified clean hydrogen production facility’ means any qualified
31 clean hydrogen production facility (as defined in section 45X(c)(3)) or any portion of
32 such facility—

33 “(i) which is placed in service after December 31, 2021, and

34 “(ii) with respect to which—

35 “(I) no credit has been allowed under section 45X or 45Q, and

36 “(II) the taxpayer makes an irrevocable election to have this paragraph
37 apply.

38 “(D) QUALIFIED CLEAN HYDROGEN.—For purposes of this paragraph, the term
39 ‘qualified clean hydrogen’ has the meaning given such term by section 45X(c)(2).

1 “(E) REGULATIONS.—The Secretary shall issue such regulations or other guidance as
2 the Secretary determines necessary or appropriate to carry out the purposes of this
3 section, including regulations or other guidance which—

4 “(i) requires verification by one or more unrelated third parties that the facility
5 produces hydrogen which is consistent with the hydrogen that such facility was
6 designed and expected to produce under subparagraph (A)(ii), and

7 “(ii) recaptures so much of any credit allowed under this section as exceeds the
8 amount of the credit which would have been allowed if the expected production
9 were consistent with the actual verified production (or all of the credit so allowed
10 in the absence of such verification).”.

11 (2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to property
12 placed in service after December 31, 2021 and, for any property the construction of which
13 begins prior to January 1, 2022, only to the extent of the basis thereof attributable to the
14 construction, reconstruction, or erection after December 31, 2021.

15 (d) Termination of Excise Tax Credit for Hydrogen.—

16 (1) IN GENERAL.—Section 6426(d)(2) is amended by striking subparagraph (D) and by
17 redesignating subparagraphs (E), (F), and (G) as subparagraphs (D), (E), and (F),
18 respectively.

19 (2) CONFORMING AMENDMENT.—Section 6426(e)(2) is amended by striking “(F)” and
20 inserting “(E)”.

21 (3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to fuel sold
22 or used after December 31, 2021.

23 PART 3—GREEN ENERGY AND EFFICIENCY 24 INCENTIVES FOR INDIVIDUALS

25 SEC. 136301. EXTENSION, INCREASE, AND 26 MODIFICATIONS OF NONBUSINESS ENERGY 27 PROPERTY CREDIT.

28 (a) Extension of Credit.—Section 25C(g)(2) is amended by striking “December 31, 2021” and
29 inserting “December 31, 2031”.

30 ~~(b) Increase in Credit Percentage for Qualified Energy Efficiency Improvements.—Section~~
31 ~~25C(a)(1) is amended by striking “10 percent” and inserting “30 percent”.~~ **Allowance of**
32 **Credit.—Section 25C(a) is amended to read as follows:**

33 **“(a) Allowance of Credit.—In the case of an individual, there shall be allowed as a credit**
34 **against the tax imposed by this chapter for the taxable year an amount equal to 30 percent**
35 **of the sum of—**

36 **“(1) the amount paid or incurred by the taxpayer for qualified energy efficiency**
37 **improvements installed during such taxable year, and**

38 **“(2) the amount of the residential energy property expenditures paid or incurred by**

1 **the taxpayer during such taxable year.”.**

2 (c) Application of Annual Limitation in Lieu of Lifetime Limitation.—Section 25C(b) is
3 amended to read as follows:

4 “(b) Limitations.—

5 “(1) IN GENERAL.—The credit allowed under this section with respect to any taxpayer for
6 any taxable year shall not exceed \$1,200.

7 “(2) ENERGY PROPERTY.—**The credit allowed under this subsection by reason of**
8 **subsection (a)(1) with respect to any taxpayer for any taxable year shall not exceed,**
9 **with respect to any item of qualified energy property, \$600.**

10 “(3) WINDOWS.—The credit allowed under this section by reason of subsection (a)(1)
11 with respect to any taxpayer for any taxable year shall not exceed, in the aggregate with
12 respect to all exterior windows and skylights, \$600.

13 ~~“(3)“(4) DOORS.—~~The credit allowed under this section by reason of subsection (a)(1)
14 with respect to any taxpayer for any taxable year shall not exceed—

15 “(A) \$250 in the case of any exterior door, and

16 “(B) \$500 in the aggregate with respect to all exterior doors.

17 ~~“(4)“(5) CERTAIN PROPERTY EXCLUDED FROM LIMITATION.—~~Amounts paid or incurred
18 for property described in **clause (i) or (ii) of** subsection (d)(2)(A) ~~(ii)~~, **or** subsection
19 (d)(2)(B), ~~or subsection (d)(2)(C)~~ shall not be subject to the ~~limitation in paragraph (1)~~
20 **limitations in paragraphs (1) and (2)** or factored in for purposes of calculating the
21 limitation under such paragraph.”.

22 (d) Modifications Related to Qualified Energy Efficiency Improvements.—

23 (1) STANDARDS FOR ENERGY EFFICIENT BUILDING ENVELOPE COMPONENTS.—Section
24 25C(c)(2) is amended by striking “meets—” and all that follows through the period at the
25 end and inserting the following: “meets—

26 “(A) in the case of an exterior window or skylight, Energy Star most efficient
27 certification requirements

28 “(B) in the case of any other component, the prescriptive criteria for such component
29 established by the most recent International Energy Conservation Code standard in
30 effect as of the beginning of the calendar year which is 2 years prior to the calendar
31 year in which such component is placed in service.”.

32 (2) ROOFS NOT TREATED AS BUILDING ENVELOPE COMPONENTS.—Section 25C(c)(3) is
33 amended by adding “and” at the end of subparagraph (B), by striking “, and” at the end of
34 subparagraph (C) and inserting a period, and by striking subparagraph (D).

35 (3) AIR SEALING INSULATION ADDED TO DEFINITION OF BUILDING ENVELOPE
36 COMPONENT.—Section 25C(c)(3)(A) is amended by striking “material or system” and
37 inserting “material or system, including air sealing material or system,”.

38 (e) Modification of Residential Energy Property Expenditures.—Section 25C(d) is amended to
39 read as follows:

1 “(d) Residential Energy Property Expenditures.—For purposes of this section—

2 “(1) IN GENERAL.—The term ‘residential energy property expenditures’ means
3 expenditures made by the taxpayer for qualified energy property which is—

4 “(A) installed on or in connection with a dwelling unit located in the United States
5 and used as a residence by the taxpayer, and

6 “(B) originally placed in service by the taxpayer.

7 Such term includes expenditures for labor costs properly allocable to the onsite preparation,
8 assembly, or original installation of the property.

9 “(2) QUALIFIED ENERGY PROPERTY.—The term ‘qualified energy property’ means:

10 “(A) Any of the following which meet or exceed the highest efficiency tier (not
11 including any advanced tier) established by the Consortium for Energy Efficiency
12 which is in effect as of the beginning of the calendar year in which the property is
13 placed in service:

14 “(i) An electric heat pump water heater.

15 “(ii) An electric heat pump.

16 “(iii) A central air conditioner.

17 “(iv) A natural gas, propane, or oil water heater.

18 “(v) A natural gas, propane, or oil furnace or hot water boiler.

19 ~~“(B) A geothermal heat pump which meets such requirements of the Energy Star
20 program as are in effect at the time that the expenditure for such equipment is made.~~

21 ~~“(C) A biomass stove—~~

22 ~~“(i) which uses the burning of biomass fuel to heat a dwelling unit located in
23 the United States and used as a residence by the taxpayer, or to heat water for use
24 in such a dwelling unit, and~~

25 ~~“(ii) which has a thermal efficiency rating of at least 75 percent (measured by
26 the higher heating value of the fuel).~~

27 ~~“(D)“(C) Any oil furnace or hot water boiler which—~~

28 ~~“(i) is placed in service after December 31, 2021 and before January 1, 2027
29 and meets or exceeds 2021 Energy Star efficiency criteria and is rated by the
30 manufacturer for use with eligible fuel blends of 20 percent or more, or~~

31 ~~“(ii) is placed in service after December 31, 2026 and achieves an annual fuel
32 utilization efficiency rate of not less than 90 and is rated by the manufacturer for
33 use with eligible fuel blends of 50 percent or more.~~

34 “(3) ELIGIBLE FUEL.—For purposes of paragraph (2), the term ‘eligible fuel’ means
35 biodiesel and renewable diesel (within the meaning of section 40A) and second generation
36 biofuel (within the meaning of section 40).”.

37 (f) Home Energy Audits.—

1 (1) IN GENERAL.—Section 25C(a) is amended by striking “and” at the end of paragraph
2 (1), by striking the period at the end of paragraph (2) and inserting “, and”, and by adding at
3 the end the following new paragraph:

4 “(3) 30 percent of the amount paid or incurred by the taxpayer during the taxable year for
5 home energy audits.”.

6 (2) LIMITATION.—Section 25C(b), as amended by subsection (c), is amended adding at
7 the end the following new paragraph:

8 “~~(4)~~“(5) HOME ENERGY AUDITS.—

9 “(A) DOLLAR LIMITATION.—The amount of the credit allowed under this section by
10 reason of subsection (a)(3) shall not exceed \$150.

11 “(B) SUBSTANTIATION REQUIREMENT.—No credit shall be allowed under this section
12 by reason of subsection (a)(3) unless the taxpayer includes with the taxpayer’s return
13 of tax such information or documentation as the Secretary may require.”.

14 (3) HOME ENERGY AUDITS.—

15 (A) IN GENERAL.—Section 25C, as amended by subsection (a), is amended by
16 redesignating subsections (e), (f), and (g), as subsections (f), (g), and (h), respectively,
17 and by inserting after subsection (d) the following new subsection:

18 “(e) Home Energy Audits.—For purposes of this section, the term ‘home energy audit’ means
19 an inspection and written report with respect to a dwelling unit located in the United States and
20 owned or used by the taxpayer as the taxpayer’s principal residence (within the meaning of
21 section 121) which—

22 “(1) identifies the most significant and cost-effective energy efficiency improvements
23 with respect to such dwelling unit, including an estimate of the energy and cost savings with
24 respect to each such improvement, and

25 “(2) is conducted and prepared by a home energy auditor that meets the certification or
26 other requirements specified by the Secretary (not later than 365 days after the date of the
27 enactment of this subsection) in regulations or other guidance.”.

28 (B) CONFORMING AMENDMENT.—Section 1016(a)(33) is amended by striking
29 “section 25C(f)” and inserting “section 25C(g)”.

30 (4) LACK OF SUBSTANTIATION TREATED AS MATHEMATICAL OR CLERICAL
31 ERROR.—Section 6213(g)(2) is amended—

32 (A) in subparagraph (P), by striking “and” at the end,

33 (B) in subparagraph (Q), by striking the period at the end and inserting “, and”, and

34 (C) by adding at the end the following:

35 “(R) an omission of correct information or documentation required under section
36 ~~25C(b)(4)(B)~~ **25C(b)(5)(B)** (relating to home energy audits) to be included on a
37 return.”.

38 (g) Identification Number Requirement.—

39 (1) IN GENERAL.—Section 25C, as amended by subsections (a) and (f), is amended by

1 redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the
2 following new subsection:

3 “(h) Product Identification Number Requirement.—

4 “(1) IN GENERAL.—No credit shall be allowed under subsection (a) with respect to any
5 item of specified property placed in service after December 31, 2023, unless—

6 “(A) such item is produced by a qualified manufacturer, and

7 “(B) the taxpayer includes the qualified product identification number of such item
8 on the return of tax for the taxable year.

9 “(2) QUALIFIED PRODUCT IDENTIFICATION NUMBER.—For purposes of this section, the
10 term ‘qualified product identification number’ means, with respect to any item of specified
11 property, the product identification number assigned to such item by the qualified
12 manufacturer pursuant to the methodology referred to in paragraph (3).

13 “(3) QUALIFIED MANUFACTURER.—For purposes of this section, the term ‘qualified
14 manufacturer’ means any manufacturer of specified property which enters into an
15 agreement with the Secretary which provides that such manufacturer will—

16 “(A) assign a product identification number to each item of specified property
17 produced by such manufacturer utilizing a methodology that will ensure that such
18 number (including any alphanumeric) is unique to each such item (by utilizing
19 numbers or letters which are unique to such manufacturer or by such other method as
20 the Secretary may provide),

21 “(B) label such item with such number in such manner as the Secretary may provide,
22 and

23 “(C) make periodic written reports to the Secretary (at such times and in such
24 manner as the Secretary may provide) of the product identification numbers so
25 assigned and including such information as the Secretary may require with respect to
26 the item of specified property to which such number was so assigned.

27 “(4) SPECIFIED PROPERTY.—For purposes of this subsection, the term ‘specified property’
28 means any qualified energy property and any property described in subparagraph (B) or (C)
29 of subsection (c)(3).”.

30 (2) OMISSION OF CORRECT PRODUCT IDENTIFICATION NUMBER TREATED AS
31 MATHEMATICAL OR CLERICAL ERROR.—Section 6213(g)(2), as amended by the preceding
32 provisions of this Act, is amended—

33 (A) in subparagraph (Q), by striking “and” at the end,

34 (B) in subparagraph (R), by striking the period at the end and inserting “, and”, and

35 (C) by adding at the end the following:

36 “(S) an omission of a correct product identification number required under section
37 25C(h) (relating to credit for nonbusiness energy property) to be included on a return.”.

38 (h) Effective Dates.—

39 (1) IN GENERAL.—Except as otherwise provided by this subsection, the amendments

1 made by this section shall apply to property placed in service after December 31, 2021.

2 (2) HOME ENERGY AUDITS.—The amendments made by subsection (f) shall apply to
3 amounts paid or incurred after December 31, 2021.

4 (3) IDENTIFICATION NUMBER REQUIREMENT.—The amendments made subsection (g) shall
5 apply to property placed in service after December 31, 2023.

6 SEC. 136302. RESIDENTIAL ENERGY EFFICIENT 7 PROPERTY.

8 (a) Extension of Credit.—

9 (1) IN GENERAL.—Section 25D(h) is amended by striking “December 31, 2023” and
10 inserting “December 31, 2033”.

11 (2) APPLICATION OF PHASEOUT.—Section 25D(g) is amended—

12 (A) by striking “before January 1, 2023” in paragraph (2) and inserting “before
13 January 1, 2022”,

14 (B) by striking “and” at the end of paragraph (2),

15 (C) by redesignating paragraph (3) as paragraph (5) and by inserting after paragraph
16 (2) the following new paragraphs:

17 “(3) in the case of property placed in service after December 31, 2021, and before
18 January 1, 2032, 30 percent,

19 “(4) in the case of property placed in service after December 31, 2031, and before
20 January 1, 2033, 26 percent, and”, and

21 (D) by striking “December 31, 2022, and before January 1, 2024” in paragraph (5)
22 (as so redesignated) and inserting “December 31, 2032, and before January 1, 2034”.

23 (b) Residential Energy Efficient Property Credit for Battery Storage Technology.—

24 (1) IN GENERAL.—Section 25D(a) is amended by striking “and” at the end of paragraph
25 (5) and by inserting after paragraph (6) the following new paragraph:

26 “(7) the qualified battery storage technology expenditures,”.

27 (2) QUALIFIED BATTERY STORAGE TECHNOLOGY EXPENDITURE.—Section 25D(d) is
28 amended by adding at the end the following new paragraph:

29 “(7) QUALIFIED BATTERY STORAGE TECHNOLOGY EXPENDITURE.—The term ‘qualified
30 battery storage technology expenditure’ means an expenditure for battery storage
31 technology which—

32 “(A) is installed in connection with a dwelling unit located in the United States and
33 used as a residence by the taxpayer, and

34 “(B) has a capacity of not less than 3 kilowatt hours.”.

35 (c) Credit Made Refundable; Installer Requirements; Treatment of Certain

36 Possessions.—Section 25D is amended by redesignating subsection (h) as subsection (k) and by
37 inserting after subsection (g) the following new subsections:

1 “(h) Credit Made Refundable for Taxable Years After ~~2021.~~—~~In 2023.~~—~~In~~ the case of any
2 taxable year beginning after December 31, ~~2022~~ **2023**, the credit allowed under subsection (a)
3 **(excluding any credit carried forward from a previous taxable year)** shall be treated as a
4 credit allowed under subpart C (and not allowed under this subpart).

5 “(i) Requirement for Qualified Installer.—

6 “(1) IN GENERAL.—No credit shall be allowed under this section with respect to any
7 property described in subsection (a) placed in service after December 31, ~~2022~~ **2023**
8 unless—

9 “(A) such property is installed by a qualified installer, and

10 “(B) the taxpayer includes the qualified installation identification number described
11 in paragraph (3) on the return of tax for the taxable year.

12 “(2) QUALIFIED INSTALLER.—

13 “(A) IN GENERAL.—For purposes of this section, the term ‘qualified installer’ means
14 an installer who enters into an agreement with the Secretary which provides that such
15 installer will, with respect to expenditures described in subsection (a) in connection
16 with the residence of a taxpayer—

17 “(i) provide the taxpayer with a qualified installation identification number and
18 a written receipt of the purchase and installation of such property in a manner
19 prescribed by the Secretary, and

20 “(ii) make periodic written reports to the Secretary (in such manner as the
21 Secretary may provide) of installation identification numbers assigned by the
22 installer corresponding to such expenditures, including such information as the
23 Secretary may require with respect to such expenditures.

24 “(B) INSTALLER DEEMED TO MEET REQUIREMENT.—For purposes of subparagraph
25 (A), to the extent provided by the Secretary, an installer may be deemed to meet the
26 requirement under clause (ii) of such subparagraph on the basis of information
27 available to the Secretary which the Secretary determines is reasonably reliable for
28 purposes of determining the amount of qualified expenditures under subsection (a)
29 made by a taxpayer in connection with a residence of such taxpayer.

30 “(3) QUALIFIED INSTALLATION IDENTIFICATION NUMBER.—For purposes of this section,
31 the term ‘qualified installation identification number’ means a unique identification number
32 with respect to expenditures described in subsection (a) in connection with a residence of a
33 taxpayer that is installed by a qualified installer.

34 “(4) REGISTRATION.—The Secretary may require such information or registration of a
35 qualified installer as the Secretary deems necessary or appropriate for purposes of
36 preventing duplication, fraud, or improper claims with respect to property described in
37 subsection (a). Under regulations or other guidance prescribed by the Secretary, the
38 registration of any person under this section may be denied, revoked, or suspended if the
39 Secretary determines that such denial, revocation, or suspension is necessary to prevent
40 duplication, fraud, or improper claims with respect to property described in subsection (a).

41 “(j) Treatment of Certain Possessions.—

1 “(1) PAYMENTS TO POSSESSIONS WITH MIRROR CODE TAX SYSTEMS.—The Secretary shall
2 pay to each possession of the United States which has a mirror code tax system amounts
3 equal to the loss (if any) to that possession by reason of the application of the provisions of
4 this section. Such amounts shall be determined by the Secretary based on information
5 provided by the government of the respective possession.

6 “(2) PAYMENTS TO OTHER POSSESSIONS.—The Secretary shall pay to each possession of
7 the United States which does not have a mirror code tax system amounts estimated by the
8 Secretary as being equal to the aggregate benefits (if any) that would have been provided to
9 residents of such possession by reason of the provisions of this section if a mirror code tax
10 system had been in effect in such possession. The preceding sentence shall not apply unless
11 the respective possession has a plan which has been approved by the Secretary under which
12 such possession will promptly distribute such payments to its residents.

13 “(3) MIRROR CODE TAX SYSTEM; TREATMENT OF PAYMENTS.—Rules similar to the rules of
14 paragraphs (3), (4), and (5) of section 21(h) shall apply for purposes of this section.”.

15 (d) Certain Expenditures Disallowed.—Section 25D is amended—

16 (1) in subsection (a), by adding “and” at the end of paragraph ~~(3)~~(4), by striking the
17 comma at the end of paragraph ~~(4)~~(5) and inserting a period, and by striking paragraphs ~~(5)~~
18 ~~and paragraph (6)~~, and

19 (2) in subsection (d), by striking paragraphs ~~(5) and (6)~~. **paragraph (6)**.

20 ~~(e)~~**(e) Carryforward of Unused Credit Disallowed.—Section 25D is amended by striking**
21 **subsection (c).**

22 **(f) Conforming Amendment.—Section 6213(g)(2), as amended by the preceding provisions of**
23 **this Act, is amended—**

24 (1) in subparagraph (T), by striking “and” at the end,

25 (2) in subparagraph (U), by striking the period at the end and inserting “, and”, and

26 (3) by adding at the end the following:

27 “(V) an omission of a correct qualified installation identification number required
28 under section 25D (relating to credit for residential energy efficient property) to be
29 included on a return.”.

30 ~~(f)~~**(g) Effective Dates.—**

31 (1) The amendments made by subsections (a), (b), (d), and ~~(e)~~**(f)** shall apply to
32 expenditures made after December 31, 2021.

33 (2) The amendments made by ~~subsection~~ **subsections (c) and (e)** shall apply to
34 expenditures made after December 31, 2022.

35 SEC. 136303. ENERGY EFFICIENT COMMERCIAL 36 BUILDINGS DEDUCTION.

37 (a) Placed in Service Requirement.—Section 179D(c)(2) is amended to read as follows:

38 “(2) REFERENCE STANDARD 90.1.—The term ‘Reference Standard 90.1’ means, with

1 respect to any property, the more recent of—

2 “(A) Standard 90.1-2007 published by the American Society of Heating,
3 Refrigerating, and Air Conditioning Engineers and the Illuminating Engineering
4 Society of North America, or

5 “(B) the most recent Standard 90.1 published by the American Society of Heating,
6 Refrigerating, and Air Conditioning Engineers and the Illuminating Engineering
7 Society of North America for which the Department of Energy has issued a final
8 determination and which has been affirmed by the Secretary for purposes of this
9 section not later than the date that is 4 years before the date such property is placed in
10 service.”.

11 (b) Temporary Increase in Deduction, etc.—Section 179D is amended by adding at the end
12 the following:

13 “(i) Temporary Rules.—

14 “(1) PERIOD OF APPLICATION.—The provisions of this subsection shall apply only to
15 taxable years beginning after December 31, 2021, and before January 1, 2032.

16 “(2) MODIFICATION OF EFFICIENCY STANDARD.—Subsection (c)(1)(D) shall be applied by
17 substituting ‘25’ for ‘50’.

18 “(3) MAXIMUM AMOUNT OF DEDUCTION.—

19 “(A) IN GENERAL.—The deduction under subsection (a) with respect to any building
20 for any taxable year shall not exceed the excess (if any) of—

21 “(i) the product of—

22 “(I) the applicable dollar value, and

23 “(II) the square footage of the building, over

24 “(ii) the aggregate amount of the deductions under subsection (a) and paragraph
25 (6) with respect to the building for the 3 taxable years immediately preceding
26 such taxable year (or, in the case of any such deduction allowable to a person
27 other than the taxpayer, for any taxable year ending during the 4-taxable-year
28 period ending with such taxable year).

29 “(B) APPLICABLE DOLLAR VALUE.—For purposes of paragraph (3)(A)(i), the
30 applicable dollar value shall be an amount equal to \$0.50 increased (but not above
31 \$1.00) by \$0.02 for each percentage point by which the total annual energy and power
32 costs for the building are certified to be reduced by a percentage greater than 25
33 percent.

34 “(C) APPLICATION OF INFLATION ADJUSTMENT.—Subsection (g) shall be applied—

35 “(i) by substituting ‘2022’ for ‘2020’,

36 “(ii) by substituting ‘subsection (i)(3)(B)’ for ‘subsection (b) or subsection
37 (d)(1)(A)’, and

38 “(iii) by substituting ‘2021’ for ‘2019’.

39 “(D) LIMITATION TO APPLY IN LIEU OF CURRENT LIMITATION AND PARTIAL

1 ALLOWANCE.—Subsections (b) and (d)(1) shall not apply.

2 “(4) INCREASED CREDIT AMOUNT FOR CERTAIN PROPERTY.—

3 “(A) IN GENERAL.—In the case of any property which satisfies the requirements of
4 subparagraph (B), paragraph (3)(B) shall be applied by substituting ‘\$2.50’ for ‘\$0.50’,
5 ‘\$.10’ for ‘\$.02’, and ‘\$5.00’ for ‘\$1.00’.

6 “(B) PROJECT REQUIREMENTS.—A project meets the requirements of this
7 subparagraph if it is one of the following:

8 “(i) A building or qualified retrofit plan the construction of which begins prior
9 to 60 days after the Secretary publishes guidance with respect to the requirements
10 of paragraphs (5) and (6).

11 “(ii) A building or qualified retrofit plan the construction of which satisfies the
12 requirements of paragraphs (5) and (6).

13 “(5) PREVAILING WAGE REQUIREMENTS.—

14 “(A) IN GENERAL.—The requirements described in this subparagraph with respect to
15 any project are that the taxpayer shall ensure that any laborers and mechanics
16 employed by contractors and subcontractors in the construction of any property or with
17 respect to building modifications made as part of a qualified retrofit plan shall be paid
18 wages at rates not less than the prevailing rates for construction, alteration, or repair of
19 a similar character in the locality as most recently determined by the Secretary of
20 Labor, in accordance with subchapter IV of chapter 31 of title 40, United States Code.

21 “(B) CORRECTION AND PENALTY RELATED TO FAILURE TO SATISFY WAGE
22 REQUIREMENTS.—Rules similar to the rules of **clauses (i) through (iv) of section**
23 ~~45(b)(8)(B)~~ **45(b)(7)(B)** shall apply.

24 “(6) APPRENTICESHIP REQUIREMENTS.—Rules similar to the rules of section ~~45(b)(9)~~
25 **45(b)(8)** shall apply.

26 “(7) ALLOCATION OF DEDUCTION BY CERTAIN TAX-EXEMPT ENTITIES.—

27 “(A) IN GENERAL.—A specified tax-exempt entity shall be treated in the same
28 manner as a Federal, State, or local government for purposes of applying subsection
29 (d)(4).

30 “(B) SPECIFIED TAX-EXEMPT ENTITY.—For purposes of this paragraph, the term
31 ‘specified tax-exempt entity’ means—

32 “(i) the United States, any State or political subdivision thereof, any possession
33 of the United States, or any agency or instrumentality of any of the foregoing,

34 “(ii) ~~any an~~ **an Indian tribal government (within the meaning of section 139E), (as**
35 **defined in section 48(e)(4)(F)(ii) or Alaska Native Corporation (as defined in**
36 **section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(m)), and**

37 “(iii) any organization exempt from tax imposed by this chapter.

38 “(8) ALTERNATIVE DEDUCTION FOR ENERGY EFFICIENT RETROFIT BUILDING PROPERTY.—

39 “(A) IN GENERAL.—In the case of a taxpayer which elects (at such time and in such

1 manner as the Secretary may provide) the application of this paragraph with respect to
2 any qualified building, there shall be allowed as a deduction for the taxable year which
3 includes the date of the qualifying final certification with respect to the qualified
4 retrofit plan of such building, an amount equal to the lesser of—

5 “(i) the excess described in paragraph (3) (determined by substituting ‘energy
6 usage intensity’ for ‘total annual energy and power costs’ in subparagraph (B)
7 thereof), or

8 “(ii) the aggregate adjusted basis (determined after taking into account all
9 adjustments with respect to such taxable year other than the reduction under
10 subsection (e)) of energy efficient retrofit building property placed in service by
11 the taxpayer pursuant to such qualified retrofit plan.

12 “(B) QUALIFIED RETROFIT PLAN.—For purposes of this paragraph, the term
13 ‘qualified retrofit plan’ means a written plan prepared by a qualified professional
14 which specifies modifications to a building which, in the aggregate, are expected to
15 reduce such building’s energy usage intensity by 25 percent or more in comparison to
16 the baseline energy usage intensity of such building. Such plan shall provide for a
17 qualified professional to—

18 “(i) as of any date during the 1-year period ending on the date of the first
19 certification described in clause (ii), certify the energy usage intensity of such
20 building as of such date,

21 “(ii) certify the status of property installed pursuant to such plan as meeting the
22 requirements of clauses (ii) and (iii) subparagraph (C), and

23 “(iii) as of any date that is more than 1 year after completion of the plan, certify
24 the energy usage intensity of such building as of such date.

25 “(C) ENERGY EFFICIENT RETROFIT BUILDING PROPERTY.—For purposes of this
26 paragraph, the term ‘energy efficient retrofit building property’ means property—

27 “(i) with respect to which depreciation (or amortization in lieu of depreciation)
28 is allowable,

29 “(ii) which is installed on or in any qualified building,

30 “(iii) which is installed as part of—

31 “(I) the interior lighting systems,

32 “(II) the heating, cooling, ventilation, and hot water systems, or

33 “(III) the building envelope, and

34 “(iv) which is certified in accordance with subparagraph (B)(ii) as meeting the
35 requirements of clauses (ii) and (iii).

36 “(D) QUALIFIED BUILDING.—For purposes of this paragraph, the term ‘qualified
37 building’ means any building which—

38 “(i) is located in the United States, and

39 “(ii) was originally placed in service not less than 5 years before the

1 establishment of the qualified retrofit plan with respect to such building.

2 “(E) QUALIFYING FINAL CERTIFICATION.—For purposes of this paragraph, the term
3 ‘qualifying final certification’ means, with respect to any qualified retrofit plan, the
4 certification described in subparagraph (B)(iii) if the energy usage intensity certified in
5 such certification is not more than 75 percent of the baseline energy usage intensity of
6 the building.

7 “(F) BASELINE ENERGY USAGE INTENSITY.—

8 “(i) IN GENERAL.—The term ‘baseline energy usage intensity’ means the energy
9 usage intensity certified under subparagraph (B)(i), as adjusted to take into
10 account weather as compared to the energy usage intensity determined under
11 subparagraph (B)(iii).

12 “(ii) DETERMINATION OF ADJUSTMENT.—For purposes of clause (i), the
13 adjustments described in such clause shall be determined in such manner as the
14 Secretary may provide.

15 “(G) OTHER DEFINITIONS.—For purposes of this paragraph—

16 “(i) ENERGY USAGE INTENSITY.—The term ‘energy usage intensity’ means the
17 annualized, measured site energy usage intensity determined in accordance with
18 such regulations or other guidance as the Secretary may provide and measured in
19 British thermal units.

20 “(ii) QUALIFIED PROFESSIONAL.—The term ‘qualified professional’ means an
21 individual who is a licensed architect or a licenced engineer and meets such other
22 requirements as the Secretary may provide.

23 “(H) COORDINATION WITH DEDUCTION OTHERWISE ALLOWED UNDER SUBSECTION
24 (A).—

25 “(i) IN GENERAL.—In the case of any building with respect to which an election
26 is made under subparagraph (A), the term ‘energy efficient commercial building
27 property’ shall not include any energy efficient retrofit building property with
28 respect to which a deduction is allowable under this paragraph.

29 “(ii) CERTAIN RULES NOT APPLICABLE.—

30 “(I) IN GENERAL.—Except as provided in subclause (II), subsection (d)
31 shall not apply for purposes of this paragraph.

32 “(II) ALLOCATION OF DEDUCTION BY CERTAIN TAX-EXEMPT
33 ENTITIES.—Rules similar to subsection (d)(4) (determined after application
34 of paragraph (5)) shall apply for purposes of this paragraph.”.

35 (c) Application to Real Estate Investment Trust Earnings and Profits.—Section 312(k)(3)(B) is
36 amended—

37 (1) by striking “for purposes of computing the earnings and profits of a corporation” and
38 inserting the following:

39 “(i) IN GENERAL.—For purposes of computing the earnings and profits of a
40 corporation, except as provided in clause (ii)”, and

1 (2) by adding at the end the following new clause:

2 “(ii) SPECIAL RULE.—In the case of a corporation that is a real estate investment
3 trust, any amount deductible under section 179D shall be allowed in the year in
4 which the property giving rise to such deduction is placed in service.”.

5 (d) Conforming Amendment.—Section 179D(d)(2) is amended by striking “not later than the
6 date that is 2 years before the date that construction of such property begins” and inserting “not
7 later than the date that is 4 years before the date such property is placed in service”.

8 (e) Effective Date.—

9 (1) IN GENERAL.—Except as otherwise provided in this subsection, the amendment made
10 by this section shall apply to taxable years beginning after December 31, 2021.

11 (2) ALTERNATIVE DEDUCTION FOR ENERGY EFFICIENT RETROFIT BUILDING
12 PROPERTY.—Paragraph (8) of section 179D(i) of the Internal Revenue Code of 1986 (as
13 added by this section), and any other provision of such section solely for purposes of
14 applying such paragraph, shall apply to property placed in service after December 31, 2021
15 (in taxable years ending after such date) if such property is placed in service pursuant to
16 qualified retrofit plan (within the meaning of such section) established after such date.

17 SEC. 136304. EXTENSION, INCREASE, AND 18 MODIFICATIONS OF NEW ENERGY EFFICIENT HOME 19 CREDIT.

20 (a) Extension of Credit.—Section 45L(g) is amended by striking “December 31, 2021” and
21 inserting “December 31, 2031”.

22 (b) Increase in Credit Amounts.—Section 45L(a)(2) is amended to read as follows:

23 “(2) APPLICABLE AMOUNT.—For purposes of paragraph (1), the applicable amount is an
24 amount equal to—

25 “(A) in the case of a dwelling unit which is eligible to participate in the Energy Star
26 Residential New Construction Program or the Energy Star Manufactured New Homes
27 program—

28 “(i) that is described in subsection (c)(1)(A) (and not described in subsection
29 (c)(1)(B)), \$2,500, and

30 “(ii) that is described in subsection (c)(1)(B), \$5000, and

31 “(B) in the case of a dwelling unit which is part of a building eligible to participate
32 in the Energy Star Multifamily New Construction Program—

33 “(i) that is described in subsection (c)(1)(A) (and not described in subsection
34 (c)(1)(B)), \$500, and

35 “(ii) that is described in subsection (c)(1)(B), \$1000.”.

36 (c) Modification of Energy Saving Requirements.—Section 45L(c) is amended to read as
37 follows:

38 “(c) Energy Saving Requirements.—

1 “(1) IN GENERAL.—A dwelling unit meets the energy saving requirements of this
2 subsection if—

3 “(A) such dwelling unit meets the requirements of paragraph (2) or (3) (whichever is
4 applicable), or

5 “(B) such dwelling unit is certified as a zero energy ready home under the zero
6 energy ready home program of the Department of Energy (or any successor program
7 determined by the Secretary) as in effect on January 1, 2022.

8 “(2) SINGLE-FAMILY HOME REQUIREMENTS.—A dwelling unit meets the requirements of
9 this paragraph if—

10 “(A) such dwelling unit meets—

11 “(i) in the case of a dwelling unit acquired before January 1, 2025, the Energy
12 Star Single-Family New Homes National Program Requirements 3.1, and

13 “(ii) in the case of a dwelling unit acquired after December 31, 2024, the
14 Energy Star Single-Family New Homes National Program Requirements 3.2,

15 “(B) such dwelling unit meets the most recent Energy Star Single-Family New
16 Homes Program Requirements applicable to the location of such dwelling unit (as in
17 effect on the latter of January 1, 2022 or January 1 of two calendar years prior to the
18 date the dwelling unit was acquired), or

19 “(C) such dwelling unit meets the most recent Energy Star Manufactured Home
20 National program requirements as in effect on the latter of January 1, 2022 or January
21 1 of two calendar years prior to the date such dwelling unit is acquired.

22 “(3) MULTI-FAMILY HOME REQUIREMENTS.—A dwelling unit meets the requirements of
23 this paragraph if—

24 “(A) such dwelling unit meets the most recent Energy Star Multifamily New
25 Construction National Program Requirements (as in effect on either January 1, 2022 or
26 January 1 of three calendar years prior to the date the dwelling was acquired,
27 whichever is later), and

28 “(B) such dwelling unit meets the most recent Energy Star Multifamily New
29 Construction Regional Program Requirements applicable to the location of such
30 dwelling unit (as in effect on either January 1, 2022 or January 1 of three calendar
31 years prior to the date the dwelling was acquired, whichever is later).”.

32 (d) Prevailing Wage Requirement.—Section 45L is amended by redesignating subsection (g)
33 as subsection (h) and by inserting after subsection (f) the following new subsection:

34 “(g) Prevailing Wage Requirement.—

35 “(1) IN GENERAL.—In the case of a qualifying residence described in subsection (b)(2)(B)
36 meeting the prevailing wage requirements of paragraph (2), the credit amount allowed with
37 respect to such residence shall be—

38 “(A) \$2,500 in the case of a residence described in subparagraph (A) of subsection
39 (c)(1) (and not described in subparagraph (B) of such subsection), and

40 “(B) \$5,000 in the case of a residence described in (c)(1)(B).

1 “(2) PREVAILING WAGE REQUIREMENTS.—

2 “(A) IN GENERAL.—The requirements described in this paragraph with respect to
3 any qualified residence are that the taxpayer shall ensure that any laborers and
4 mechanics employed by contractors and subcontractors in the construction of such
5 residence shall be paid wages at rates not less than the prevailing rates for construction,
6 alteration, or repair of a similar character in the locality as most recently determined by
7 the Secretary of Labor, in accordance with subchapter IV of chapter 31 of title 40,
8 United States Code.

9 “(B) CORRECTION AND PENALTY RELATED TO FAILURE TO SATISFY WAGE
10 REQUIREMENTS.—Rules similar to the rules of **clauses (i) through (iv) of section**
11 ~~45(b)(8)(B)~~ **45(b)(7)(B)** shall apply.

12 “(3) REGULATIONS AND GUIDANCE.—The Secretary shall issue such regulations or other
13 guidance as the Secretary determines necessary or appropriate to carry out the purposes of
14 this subsection, including regulations or other guidance which provides for requirements for
15 recordkeeping or information reporting for purposes of establishing the requirements of this
16 subsection.”.

17 (e) Effective Dates.—The amendments made by this section shall apply to dwelling units
18 acquired after December 31, 2021.

19 SEC. 136305. MODIFICATIONS TO INCOME EXCLUSION 20 FOR CONSERVATION SUBSIDIES.

21 (a) In General.—Section 136(a) is amended—

22 (1) by striking “any subsidy provided” and inserting “any subsidy—

23 “(1) provided”,

24 (2) by striking the period at the end and inserting a comma, and

25 (3) by adding at the end the following new paragraphs:

26 “(2) provided (directly or indirectly) by a public utility to a customer, or by a State or
27 local government to a resident of such State or locality, for the purchase or installation of
28 any water conservation or efficiency measure,

29 “(3) provided (directly or indirectly) by a storm water management provider to a
30 customer, or by a State or local government to a resident of such State or locality, for the
31 purchase or installation of any storm water management measure, or

32 “(4) provided (directly or indirectly) by a State or local government to a resident of such
33 State or locality for the purchase or installation of any wastewater management measure,
34 but only if such measure is with respect to the taxpayer’s principal residence.”.

35 (b) Conforming Amendments.—

36 (1) DEFINITION OF WATER CONSERVATION OR EFFICIENCY MEASURE AND STORM WATER
37 MANAGEMENT MEASURE.—Section 136(c) is amended—

38 (A) by striking “Energy Conservation Measure” in the heading thereof and inserting
39 “Definitions”,

1 (B) by striking “IN GENERAL” in the heading of paragraph (1) and inserting “ENERGY
2 CONSERVATION MEASURE”, and

3 (C) by redesignating paragraph (2) as paragraph (5) and by inserting after paragraph
4 (1) the following:

5 “(2) WATER CONSERVATION OR EFFICIENCY MEASURE.—For purposes of this section, the
6 term ‘water conservation or efficiency measure’ means any evaluation of water use, or any
7 installation or modification of property, the primary purpose of which is to reduce
8 consumption of water or to improve the management of water demand with respect to one
9 or more dwelling units.

10 “(3) STORM WATER MANAGEMENT MEASURE.—For purposes of this section, the term
11 ‘storm water management measure’ means any installation or modification of property
12 primarily designed to reduce or manage amounts of storm water with respect to one or more
13 dwelling units.

14 “(4) WASTEWATER MANAGEMENT MEASURE.—For purposes of this section, the term
15 ‘wastewater management measure’ means any installation or modification of property
16 primarily designed to manage wastewater (including septic tanks and cesspools) with
17 respect to one or more dwelling units.”.

18 (2) DEFINITION OF PUBLIC UTILITY.—Section 136(c)(5) (as redesignated by paragraph
19 (1)(C)) is amended by striking subparagraph (B) and inserting the following:

20 “(B) PUBLIC UTILITY.—The term ‘public utility’ means a person engaged in the sale
21 of electricity, natural gas, or water to residential, commercial, or industrial customers
22 for use by such customers.

23 “(C) STORM WATER MANAGEMENT PROVIDER.—The term ‘storm water management
24 provider’ means a person engaged in the provision of storm water management
25 measures to the public.

26 “(D) PERSON.—For purposes of subparagraphs (B) and (C), the term ‘person’
27 includes the Federal Government, a State or local government or any political
28 subdivision thereof, or any instrumentality of any of the foregoing.”.

29 (3) CLERICAL AMENDMENTS.—

30 (A) The heading for section 136 is amended—

31 (i) by inserting “and water” after “energy”, and

32 (ii) by striking “provided by public utilities”.

33 (B) The item relating to section 136 in the table of sections of part III of subchapter
34 B of chapter 1 is amended—

35 (i) by inserting “and water” after “energy”, and

36 (ii) by striking “provided by public utilities”.

37 (c) Effective Date.—The amendments made by this section shall apply to amounts received
38 after December 31, 2018.

39 (d) No Inference.—Nothing in this Act or the amendments made by this Act shall be construed

1 to create any inference with respect to the proper tax treatment of any subsidy received directly
2 or indirectly from a public utility, a storm water management provider, or a State or local
3 government for any water conservation measure or storm water management measure before
4 January 1, 2019.

5 SEC. 136306. CREDIT FOR QUALIFIED WILDFIRE 6 MITIGATION EXPENDITURES.

7 (a) In General.—Subpart B of part IV of subchapter A of chapter 1 is amended by inserting
8 after section 27 the following new section:

9 “SEC. 28. QUALIFIED WILDFIRE MITIGATION 10 EXPENDITURES.

11 “(a) In General.—There shall be allowed as a credit against the tax imposed by this chapter for
12 the taxable year an amount equal to 30 percent of the qualified wildfire mitigation expenditures
13 paid or incurred by the taxpayer during such taxable year with respect to real property owned or
14 leased by the taxpayer.

15 “(b) Qualified Wildfire Mitigation Expenditures.—For purposes of this section—

16 “(1) IN GENERAL.—The term ‘qualified wildfire mitigation expenditures’ means any
17 specified wildfire mitigation expenditure made pursuant to a qualified State wildfire
18 mitigation program of a State which requires expenditures for wildfire mitigation to be paid
19 both by the taxpayer and such State. Such term shall not include any item of expenditure
20 unless the ratio of the State’s expenditure for such item to the sum of the State’s and
21 taxpayer’s expenditures for such item is not less than 25 percent.

22 “(2) SPECIFIED WILDFIRE MITIGATION EXPENDITURE.—The term ‘specified wildfire
23 mitigation expenditure’ means, with respect to any real property owned or leased by the
24 taxpayer, any amount paid or incurred to reduce the risk of wildfire by removing
25 accumulations of vegetation (including establishing, expanding, or maintaining fuel breaks
26 to serve as fire breaks) on such real property.

27 “(3) QUALIFIED STATE WILDFIRE MITIGATION PROGRAM.—The term ‘qualified State
28 wildfire mitigation program’ means any program of a State the primary purpose of which is
29 to mitigate the risk of wildfires in such State.

30 “(4) TREATMENT OF REIMBURSEMENTS.—Any amount originally paid or incurred by the
31 taxpayer which is reimbursed by a State under a qualified wildfire mitigation program of
32 such State shall be treated as paid by such State (and not by such taxpayer).

33 “(c) Application With Other Credits.—

34 “(1) BUSINESS CREDIT TREATED AS PART OF GENERAL BUSINESS CREDIT.—So much of the
35 credit which would be allowed under subsection (a) for any taxable year (determined
36 without regard to this subsection) that is attributable to expenditures made in the ordinary
37 course of the taxpayer’s trade or business (or, in the case of expenditures made by a State,
38 would have been expenditures made in the ordinary course of the taxpayer’s trade or
39 business if made by the taxpayer) shall be treated as a credit listed in section 38(b) for
40 taxable year (and not allowed under subsection (a)).

1 “(2) PERSONAL CREDIT.—For purposes of this title, the credit allowed under subsection
2 (a) for any taxable year (determined after application of paragraph (1)) shall be treated as a
3 credit allowable under subpart A for such taxable year.

4 “(d) Reduction of Credit Percentage Where Taxpayer Expenditures Less Than 30 Percent.—

5 “(1) IN GENERAL.—If the expenditure percentage with respect to any item of qualified
6 wildfire mitigation expenditure is less than 30 percent, subsection (a) shall be applied by
7 substituting ‘the expenditure percentage’ for ‘30 percent’ with respect to such item of
8 expenditure.

9 “(2) EXPENDITURE PERCENTAGE.—For purposes of this section, the term ‘expenditure
10 percentage’ means, with respect to any item of qualified wildfire mitigation expenditure any
11 portion of which is paid or incurred by a State, the ratio (expressed as a percentage) of—

12 “(A) the taxpayer’s expenditure for such item, divided by

13 “(B) the sum of the taxpayer’s and such State’s expenditures for such item.

14 “(e) Special Rules.—

15 “(1) TREATMENT OF EXPENDITURES RELATED TO MARKETABLE TIMBER.—An expenditure
16 shall not be taken into account for purposes of this section (whether made by the taxpayer or
17 a State pursuant to a qualified State wildfire mitigation program of such State) if such
18 expenditure is properly allocable to timber which is sold or exchanged by the taxpayer. The
19 preceding sentence shall not apply to the extent that such amount exceeds the gain on such
20 sale or exchange.

21 “(2) BASIS REDUCTION.—For purposes of this subtitle, if the basis of any property would
22 (but for this paragraph) be determined by taking into account any qualified wildfire
23 mitigation expenditure, the basis of such property shall be reduced by the amount of the
24 credit allowed under subsection (a) with respect to such expenditure (determined without
25 regard to subsection (c)).

26 “(3) DENIAL OF DOUBLE BENEFIT.—The amount of any deduction or other credit
27 allowable under this chapter for any expenditure for which a credit is allowable under
28 subsection (a) shall be reduced by the amount of credit allowed under such subsection for
29 such expenditure (determined without regard to subsection (c)).”.

30 (b) Conforming Amendments.—

31 (1) Section 38(b), as amended by the preceding provisions of this Act, is amended by
32 striking “plus” at the end of paragraph (35), by striking the period at the end of paragraph
33 (36) and inserting “, plus”, and by adding at the end the following new paragraph:

34 “(37) the portion of the qualified wildfire mitigation expenditures credit to which section
35 28(c)(1) applies.”.

36 (2) Section 1016(a) is amended by redesignating paragraphs (35) through (38) as
37 paragraphs (36) through (39), respectively, and by inserting after paragraph (34) the
38 following new paragraph:

39 “(35) to the extent provided in section 28(e)(2).”.

40 (3) The table of sections for subpart B of part IV of subchapter A of chapter 1 is amended

1 by inserting after the item relating to section 27 the following new item:

2 “Sec.28.Qualified wildfire mitigation expenditures.”.

3 (c) Effective Date.—The amendments made by this section shall apply to expenditures paid or
4 incurred after the date of the enactment of this Act, in taxable years ending after such date.

5 PART 4—GREENING THE FLEET AND ALTERNATIVE 6 VEHICLES

7 SEC. 136401. REFUNDABLE NEW QUALIFIED PLUG-IN 8 ELECTRIC DRIVE MOTOR VEHICLE CREDIT FOR 9 INDIVIDUALS.

10 (a) In General.—Subpart C of part IV of subchapter A of chapter 1 is amended by inserting
11 after section 36B the following new section:

12 “SEC. 36C. NEW QUALIFIED PLUG-IN ELECTRIC DRIVE 13 MOTOR VEHICLES.

14 “(a) Allowance of Credit.—In the case of an individual, there shall be allowed as a credit
15 against the tax imposed by this subtitle for the taxable year an amount equal to the ~~sum of the~~
16 ~~credit amounts~~ **amount** determined under subsection (b) with respect to ~~each a~~ new qualified
17 plug-in electric drive motor vehicle placed in service by the taxpayer during the taxable year.

18 “(b) ~~Per Vehicle Amounts.~~— **Credit Amount.**—

19 “(1) IN GENERAL.—The amount determined under this subsection with respect to any new
20 qualified plug-in electric drive motor vehicle is the sum of the amounts determined under
21 paragraphs (2) through (5) with respect to such vehicle (not to exceed 50 percent of the
22 purchase price of such vehicle).

23 “(2) BASE AMOUNT.—The amount determined under this paragraph is \$4,000.

24 “(3) BATTERY CAPACITY.—In the case of a new qualified plug-in electric drive motor
25 vehicle, the amount determined under this paragraph is \$3,500 if—

26 “(A) in the case of a vehicle placed in service before January 1, 2027, such vehicle
27 draws propulsion energy from a battery with not less than 40 kilowatt hours of capacity
28 and has a gasoline tank capacity not greater than 2.5 gallons, and

29 “(B) in the case of a vehicle placed in service after December 31, 2026, such vehicle
30 draws propulsion energy from a battery with not less than 50 kilowatt hours of capacity
31 and has a gasoline tank capacity not greater than 2.5 gallons.

32 “(4) DOMESTIC ASSEMBLY.—In the case of a new qualified ~~electric drive~~ plug-in **electric**
33 **drive motor** vehicle which satisfies the domestic assembly qualifications, the amount
34 determined under this paragraph is \$4,500.

35 “(5) DOMESTIC CONTENT.—In the case of a new qualified ~~electric drive~~ plug-in **electric**
36 **drive motor** vehicle which satisfies domestic content qualifications, the amount determined

1 under this paragraph is \$500.

2 “(c) **Vehicle Limitation.**—The number of new qualified plug-in electric drive motor
3 **vehicles taken in account under subsection (a) shall not exceed 1 per taxpayer per taxable**
4 **year.**

5 “(d) **Limitation Based on Modified Adjusted Gross Income.**—

6 “(1) **IN GENERAL.**—The amount of the credit allowable under subsection (a) for any
7 taxable year shall be reduced (but not below zero) by \$200 for each \$1,000 (or fraction
8 thereof) by which—

9 “(A) the lesser of—

10 “(i) the taxpayer’s modified adjusted gross income for such taxable year, or

11 “(ii) the taxpayer’s modified adjusted gross income for the preceding taxable
12 year, exceeds

13 “(B) the threshold amount.

14 For purposes of the preceding sentence, the term ‘modified adjusted gross income’ means
15 adjusted gross income increased by any amount excluded from gross income under section
16 911, 931, or 933.

17 “(2) **THRESHOLD AMOUNT.**—For purposes of paragraph (1), the term ‘threshold amount’
18 means—

19 “(A) ~~\$800,000~~ **\$500,000** in the case of a joint return or surviving spouse (half such
20 amount in the case of a married individual filing a separate return),

21 “(B) ~~\$600,000~~ **\$375,000** in the case of a head of household, and

22 “(C) ~~\$400,000~~ **\$250,000** in any other case.

23 ~~“(d)“(e)~~ **“(e) Manufacturer’s Suggested Retail Price Limitation.**—

24 “(1) **IN GENERAL.**—No credit shall be allowed under subsection (a) for a vehicle with a
25 manufacturer’s suggested retail price in excess of the applicable limitation.

26 “(2) **APPLICABLE LIMITATION.**—For purposes of paragraph (1), the applicable limitation
27 for each vehicle classification is as follows:

28 “(A) **VANS.**—In the case of a van, ~~\$64,000~~ **\$80,000**.

29 “(B) **SPORT UTILITY VEHICLES.**—In the case of a sport utility vehicle, ~~\$69,000~~
30 **\$80,000**.

31 “(C) **PICKUP TRUCKS.**—In the case of a pickup truck, ~~\$74,000~~ **\$80,000**.

32 “(D) **OTHER.**—In the case of any other vehicle, \$55,000.

33 “(3) **REGULATIONS AND GUIDANCE.**—For purposes of this subsection, the Secretary shall
34 prescribe such regulations or other guidance as the Secretary determines necessary or
35 appropriate for determining vehicle classifications using criteria similar to that employed by
36 the Environmental Protection Agency and the Department of the Energy to determine size
37 and class of vehicles.”

1 “(e)“(f) New Qualified Plug-in Electric Drive Motor Vehicle.—For purposes of this section—

2 “(1) IN GENERAL.—The term ‘new qualified plug-in electric drive motor vehicle’ means a
3 motor vehicle—

4 “(A) the original use of which commences with the taxpayer,

5 “(B) which is acquired for use by the taxpayer and not for resale,

6 “(C) which is made by a qualified manufacturer,

7 “(D) which is treated as a motor vehicle for purposes of title II of the Clean Air Act,

8 “(E) which has a gross vehicle weight rating of less than 14,000 pounds,

9 “(F) which is propelled to a significant extent by an electric motor which draws
10 electricity from a battery which—

11 “(i) has a capacity of not less than 10 kilowatt hours, and

12 “(ii) is capable of being recharged from an external source of electricity,

13 “(G) with respect to which, in the case of a vehicle placed in service after December
14 31, 2026, final assembly is within the United States,

15 “(H) is not of a character subject to an allowance for depreciation, and

16 “(I) for which the person who sells or leases any new qualified plug-in electric **drive**
17 **motor** vehicle to the taxpayer furnishes a report to the taxpayer and to the Secretary, at
18 such time and in such manner as the Secretary shall provide, containing—

19 “(i) the name and taxpayer identification number of the taxpayer,

20 “(ii) the vehicle identification number of the vehicle, unless, in accordance with
21 any applicable rules promulgated by the Secretary of Transportation, the vehicle
22 is not assigned such a number,

23 “(iii) the battery capacity of the vehicle,

24 “(iv) in the case of any new qualified plug-in electric **drive motor** vehicle,
25 verification that original use of the vehicle commences with the taxpayer,

26 “(v) the maximum credit under this section allowable to the taxpayer with
27 respect to the vehicle, and

28 “(vi) **in the case of a taxpayer who makes an election under subsection**
29 **(k)(1)—**

30 “**(I) the modified adjusted gross income of such taxpayer in the**
31 **previous taxable year, as described in subsection (k)(6)(A), and**

32 “**(II) any amount described in subsection (k)(2)(C) which has been**
33 **provided to the such taxpayer.**

34 “(2) MOTOR VEHICLE.—The term ‘motor vehicle’ means any vehicle which is
35 manufactured primarily for use on public streets, roads, and highways (not including a
36 vehicle operated exclusively on a rail or rails) and which has at least 4 wheels.

37 “(3) QUALIFIED MANUFACTURER.—The term ‘qualified manufacturer’ means any

1 manufacturer (within the meaning of the regulations prescribed by the Administrator of the
2 Environmental Protection Agency for purposes of the administration of title II of the Clean
3 Air Act (42 U.S.C. 7521 et seq.)) which enters into a written agreement with the Secretary
4 under which such manufacturer agrees—

5 “(A) to ensure that each vehicle manufactured by such manufacturer after the later
6 of the date on which such agreement takes effect or December 31, 2021, and that meets
7 the requirements of subsection (d), subparagraphs (D), (E), and (F) of paragraph (1),
8 and paragraph (6) of subsection (f) is labeled with a unique vehicle identification
9 number, and

10 “(B) to make periodic written reports to the Secretary (at such times and in such
11 manner as the Secretary may provide) providing such vehicle identification numbers
12 and such other information related to such vehicle as the Secretary may require.

13 “(4) BATTERY CAPACITY.—The term ‘capacity’ means, with respect to any battery, the
14 quantity of electricity which the battery is capable of storing, expressed in kilowatt hours, as
15 measured from a 100 percent state of charge to a 0 percent state of charge.

16 ~~“(f)“(g)~~ Special Rules.—

17 “(1) BASIS REDUCTION.—For purposes of this subtitle, the basis of any property for which
18 a credit is allowable under subsection (a) shall be reduced by the amount of such credit so
19 allowed.

20 “(2) NO DOUBLE BENEFIT.—The amount of any deduction or other credit allowable under
21 this chapter for a vehicle for which a credit is allowable under subsection (a) shall be
22 reduced by the amount of credit allowed under such subsection for such vehicle.

23 “(3) PROPERTY USED OUTSIDE UNITED STATES NOT QUALIFIED.—No credit shall be
24 allowable under subsection (a) with respect to any property referred to in section 50(b)(1).

25 “(4) RECAPTURE.—The Secretary shall, by regulations or other guidance, provide for
26 recapturing the benefit of any credit allowable under subsection (a) with respect to any
27 property which ceases to be property eligible for such credit.

28 “(5) ELECTION NOT TO TAKE CREDIT.—No credit shall be allowed under subsection (a) for
29 any vehicle if the taxpayer elects to not have this section apply to such vehicle.

30 “(6) INTERACTION WITH AIR QUALITY AND MOTOR VEHICLE SAFETY STANDARDS.—A
31 vehicle shall not be considered eligible for a credit under this section unless such vehicle is
32 in compliance with—

33 “(A) the applicable provisions of the Clean Air Act for the applicable make and
34 model year of the vehicle (or applicable air quality provisions of State law in the case
35 of a State which has adopted such provision under a waiver under section 209(b) of the
36 Clean Air Act), and

37 “(B) the motor vehicle safety provisions of sections 30101 through 30169 of title 49,
38 United States Code.

39 ~~“(g)“(h)~~ Credit Allowed for 2 and 3-wheeled Plug-in Electric Vehicles.—

40 “(1) IN GENERAL.—In the case of a qualified 2- or 3-wheeled plug-in electric vehicle—

1 “(A) there shall be allowed as a credit against the tax imposed by this subtitle for the
2 taxable year an amount equal to the sum of the applicable amount with respect to each
3 such qualified 2- or 3-wheeled plug-in electric vehicle placed in service by the
4 taxpayer during the taxable year, and

5 “(B) the amount of the credit allowed under subparagraph (A) shall be treated as a
6 credit allowed under subsection (a).

7 “(2) APPLICABLE AMOUNT.—For purposes of paragraph (1), the applicable amount is an
8 amount equal to the lesser of—

9 “(A) 30 percent of the cost of the qualified 2- or 3-wheeled plug-in electric vehicle,
10 or

11 “(B) \$7,500.

12 “(3) QUALIFIED 2- OR 3-WHEELED PLUG-IN ELECTRIC VEHICLE.—The term ‘qualified 2- or
13 3-wheeled plug-in electric vehicle’ means any vehicle which—

14 “(A) has 2 or 3 wheels,

15 “(B) meets the requirements of—

16 “(i) subparagraphs (A), (B), (C), (E), (F), (G), and (I) of subsection (e)(1)
17 (determined by substituting ‘2.5 kilowatt hours’ for ‘10 kilowatt hours’ in
18 subparagraph (F)(i)),

19 “(ii) paragraphs (3) and (4) of subsection (e), and

20 “(iii) subsections (f), (h), (i), and (k),

21 “(C) is manufactured primarily for use on public streets, roads, and highways, and

22 “(D) is capable of achieving a speed of 45 miles per hour or greater.

23 ~~“(h)“(i)~~“(i) VIN Number Requirement.—No credit shall be allowed under this section with
24 respect to any vehicle unless the taxpayer includes the vehicle identification number of such
25 vehicle on the return of tax for the taxable year.

26 ~~“(i)“(j)~~“(j) Treatment of Certain Possessions.—

27 “(1) PAYMENTS TO POSSESSIONS WITH MIRROR CODE TAX SYSTEMS.—The Secretary shall
28 pay to each possession of the United States which has a mirror code tax system amounts
29 equal to the loss (if any) to that possession by reason of the application of the provisions of
30 this section (determined without regard to this subsection). Such amounts shall be
31 determined by the Secretary based on information provided by the government of the
32 respective possession.

33 “(2) PAYMENTS TO OTHER POSSESSIONS.—The Secretary shall pay to each possession of
34 the United States which does not have a mirror code tax system amounts estimated by the
35 Secretary as being equal to the aggregate benefits (if any) that would have been provided to
36 residents of such possession by reason of the provisions of this section if a mirror code tax
37 system had been in effect in such possession. The preceding sentence shall not apply unless
38 the respective possession has a plan which has been approved by the Secretary under which
39 such possession will promptly distribute such payments to its residents.

1 “(3) MIRROR CODE TAX SYSTEM; TREATMENT OF PAYMENTS.—Rules similar to the rules of
2 paragraphs (3), (4), and (5) of section 21(h) shall apply for purposes of this section.

3 ~~“(j)“~~“(k) Assembly and Content Qualifications.—For purposes of this section—

4 “(1) DOMESTIC ASSEMBLY QUALIFICATIONS.—The term ‘domestic assembly
5 qualifications’ means, with respect to any new qualified plug-in electric vehicle, that the
6 final assembly of such vehicle occurs at a plant, factory, or other place which is located in
7 the United States and operating under a collective bargaining agreement negotiated by an
8 employee organization (as defined in section 412(c)(4)), determined in a manner consistent
9 with section 7701(a)(46).

10 “(2) DOMESTIC CONTENT QUALIFICATIONS.—The term ‘domestic content qualifications’
11 means, with respect to any model of a new qualified plug-in electric vehicle, that vehicles of
12 that model are powered by battery cells which are manufactured in the United States as
13 certified by the manufacturer at such time and in such form and manner as the Secretary
14 may prescribe.

15 “(3) FINAL ASSEMBLY.—The term ‘final assembly’ means the process by which a
16 manufacturer produces a new qualified plug-in electric drive motor vehicle at, or through
17 the use of, a plant, factory, or other place from which the vehicle is delivered to a dealer or
18 importer with all component parts necessary for the mechanical operation of the vehicle
19 included with the vehicle, whether or not the component parts are permanently installed in
20 or on the vehicle.

21 ~~“(k)“~~“(l) Termination.—No credit shall be allowed under this section with respect to any
22 vehicle acquired after December 31, 2031.”.

23 (b) Transfer of Credit.—

24 (1) IN GENERAL.—Section 36C, as added by subsection (a), is amended by redesignating
25 subsection (k) as subsection (l) and by inserting after subsection (j) following new
26 subsection:

27 “(k) Transfer of Credit.—

28 “(1) IN GENERAL.—Subject to such regulations or other guidance as the Secretary
29 determines necessary or appropriate, if the taxpayer who acquires a new plug-in electric
30 drive motor vehicle elects the application of this subsection with respect to such vehicle, the
31 credit which would (but for this subsection) be allowed to such taxpayer with respect to
32 such vehicle shall be allowed to the eligible entity specified in such election (and not to
33 such taxpayer).

34 “(2) ELIGIBLE ENTITY.—For purposes of this paragraph, the term ‘eligible entity’ means,
35 with respect to the vehicle for which the credit is allowed under subsection (a), the dealer
36 which sold such vehicle to the taxpayer and has—

37 “(A) subject to paragraph (4), registered with the Secretary for purposes of this
38 paragraph, at such time, and in such form and manner, as the Secretary may prescribe,

39 “(B) prior to the election described in paragraph (1) and not later than at the time of
40 such sale, disclosed to the taxpayer purchasing such vehicle—

41 “(i) the manufacturer’s suggested retail price,

1 “(ii) the value of the credit allowed or other incentive available for the purchase
2 of such vehicle,

3 “(iii) all fees associated with the purchase of such vehicle, and

4 “(iv) the amount provided by the dealer to such taxpayer as a condition of the
5 election described in paragraph (1),

6 “(C) made payment to such taxpayer (whether in cash or in the form of a partial
7 payment or down payment for the purchase of such vehicle) in an amount equal to the
8 credit otherwise allowable to such taxpayer, and

9 “(D) with respect to any incentive otherwise available for the purchase of a vehicle
10 for which a credit is allowed under this section, including any incentive in the form of
11 a rebate or discount provided by the dealer or manufacturer, ensured that—

12 “(i) the availability or use of such incentive shall not limit the ability of a
13 taxpayer to make an election described in paragraph (1), and

14 “(ii) such election shall not limit the value or use of such incentive.

15 “(3) TIMING.—An election described in paragraph (1) shall be made by the taxpayer not
16 later than the date on which the vehicle for which the credit is allowed under subsection (a)
17 is purchased.

18 “(4) REVOCATION OF REGISTRATION.—Upon determination by the Secretary that a dealer
19 has failed to comply with the requirements described in paragraph (2), the Secretary may
20 revoke the registration (as described in subparagraph (A) of such paragraph) of such dealer.

21 “(5) TAX TREATMENT OF PAYMENTS.—With respect to any payment described in
22 paragraph (2)(C), such payment—

23 “(A) shall not be includible in the gross income of the taxpayer, and

24 “(B) with respect to the dealer, shall not be deductible under this title.

25 “(6) APPLICATION OF CERTAIN OTHER REQUIREMENTS.—In the case of any election under
26 paragraph (1) with respect to any vehicle—

27 “(A) the amount of the reduction under subsection (c) shall be determined with
28 respect to the modified adjusted gross income of the taxpayer for the taxable year
29 preceding the taxable year in which such vehicle was acquired (and not with respect to
30 such income for the taxable year in which such vehicle was acquired),

31 “(B) the requirements of paragraphs (1) and (2) of subsection (f) shall apply to the
32 taxpayer who acquired the vehicle in the same manner as if the credit determined under
33 this section with respect to such vehicle were allowed to such taxpayer,

34 “(C) subsection (f)(5) shall not apply, and

35 “(D) the requirement of subsection (h) shall be treated as satisfied if the eligible
36 entity provides the vehicle identification number of such vehicle to the Secretary in
37 such manner as the Secretary may provide.

38 “(7) ADVANCE PAYMENT TO REGISTERED DEALERS.—

39 “(A) IN GENERAL.—The Secretary shall establish a program to make advance

1 payments to any eligible entity in an amount equal to the cumulative amount of the
2 credits allowed under subsection (a) with respect to any vehicles sold by such entity for
3 which an election described in paragraph (1) has been made.

4 “(B) EXCESSIVE PAYMENTS.—Rules similar to the rules of section ~~6417(e)(8)~~
5 **6417(c)(7)** shall apply for purposes of this paragraph.

6 “(8) DEALER.—For purposes of this subsection, the term ‘dealer’ means a person licensed
7 by a State, the District of Columbia, the Commonwealth of Puerto Rico, any other territory
8 or possession of the United States, ~~or an Indian Tribe~~ **tribal government** (as defined in
9 ~~section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304))~~
10 **48(e)(4)(F)(ii), or any Alaska Native Corporation (as defined in section 3 of the Alaska**
11 **Native Claims Settlement Act (43 U.S.C. 1602(m))** to engage in the sale of vehicles.”

12 (2) CONFORMING AMENDMENT.—Section 36C(g)(3)(iii), as added by subsection (a), is
13 amended by striking “, and (k)” and inserting “(k), and (l)”.

14 (c) Repeal of Nonrefundable New Qualified Plug-in Electric Drive Motor Vehicle
15 Credit.—Subpart B of part IV of subchapter A of chapter 1 is amended by striking section 30D
16 (and by striking the item relating to such section in the table of sections of such subpart).

17 (d) Conforming Amendments.—

18 (1) Section 1016(a)(37) is amended by striking “section 30D(f)(1)” and inserting “section
19 36C(f)(1)”.

20 (2) Section 6211(b)(4)(A) is amended by inserting “36C,” after “36B,”.

21 (3) Section 6213(g)(2), as amended by the preceding provisions of this Act, is
22 amended—

23 (A) in subparagraph (R), by striking “and” at the end,

24 (B) in subparagraph (S), by striking the period at the end and inserting “, and”, and

25 (C) by adding at the end the following:

26 “(T) an omission of a correct vehicle identification number required under section
27 36C(f) (relating to credit for new qualified plug-in electric drive motor vehicles) to be
28 included on a return.”.

29 (4) Section 6501(m) is amended by striking “30D(e)(4)” and inserting “36C(f)(5)”.

30 (5) Section 166(b)(5)(A)(ii) of title 23, United States Code, is amended by striking
31 “section 30D(d)(1)” and inserting “section 36C(e)(1)”.

32 (6) Section 1324(b)(2) of title 31, United States Code, is amended by inserting “36C,”
33 after “36B,”.

34 (7) The table of sections for subpart C of part IV of subchapter A of chapter 1 is amended
35 by inserting after the item relating to section 36B the following new item:

36 “Sec.36C.New qualified plug-in electric drive motor vehicles.”.

37 (e) Effective Dates.—

38 (1) The amendments made by subsections (a), (c), and (d) of this section shall apply to

1 vehicles acquired after December 31, 2021.

2 (2) The amendments made by subsection (b) shall apply to vehicles acquired after
3 December 31, 2022.

4 **SEC. 136402. CREDIT FOR PREVIOUSLY-OWNED**
5 **QUALIFIED PLUG-IN ELECTRIC DRIVE MOTOR**
6 **VEHICLES.**

7 (a) In General.—Subpart C of part IV of subchapter A of chapter 1, as amended by the
8 preceding provisions of this Act, is amended by inserting after section 36C the following new
9 section:

10 **“SEC. 36D. PREVIOUSLY-OWNED QUALIFIED PLUG-IN**
11 **ELECTRIC DRIVE MOTOR VEHICLES.**

12 “(a) Allowance of Credit.—In the case of a qualified buyer who during a taxable year places
13 in service a previously-owned qualified plug-in electric drive motor vehicle, there shall be
14 allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal
15 to the sum of—

16 “(1) \$2,000, plus

17 “(2) the supplemental credit amount.

18 “(b) Supplemental Credit Amount.—For purposes of subsection (a), the term ‘supplemental
19 credit amount’ means—

20 “(1) \$2,000, if—

21 “(A) in the case of a vehicle placed in service before January 1, 2027, such vehicle
22 draws propulsion energy from a battery with not less than 40 kilowatt hours of capacity
23 and has a gasoline tank capacity not greater than 2.5 gallons, and

24 “(B) in the case of a vehicle placed in service after December 31, 2026, such vehicle
25 draws propulsion energy from a battery with not less than 50 kilowatt hours of capacity
26 and has a gasoline tank capacity not greater than 2.5 gallons, and

27 “(2) \$0 in any other case.

28 “(c) Limitations.—

29 “(1) SALE PRICE.—The credit allowed under subsection (a) with respect to sale of a
30 vehicle shall not exceed 50 percent of the sale price.

31 “(2) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—The amount which
32 would (but for this paragraph) be allowed as a credit under subsection (a) shall be reduced
33 (but not below zero) by \$200 for each \$1,000 (or fraction thereof) by which the lesser of—

34 “(A) the taxpayer’s modified adjusted gross income for such taxable year, or

35 “(B) the taxpayer’s modified adjusted gross income for the preceding taxable year,
36 exceeds—

1 “(i) \$150,000 in the case of a joint return or a surviving spouse (as defined in
2 section 2(a)),

3 “(ii) \$112,500 in the case of a head of household (as defined in section 2(b)),
4 and

5 “(iii) \$75,000 in the case of a taxpayer not described in paragraph (1) or (2).

6 “(d) Definitions.—For purposes of this section—

7 “(1) PREVIOUSLY-OWNED QUALIFIED PLUG-IN ELECTRIC DRIVE MOTOR VEHICLE.—The
8 term ‘previously-owned qualified plug-in electric drive motor vehicle’ means, with respect
9 to a taxpayer, a motor vehicle—

10 “(A) the model year of which is at least 2 years earlier than the calendar year in
11 which the taxpayer acquires such vehicle,

12 “(B) the original use of which commences with a person other than the taxpayer,

13 “(C) which is acquired by the taxpayer in a qualified sale, and

14 “(D) which meets the requirements of subparagraphs (C), (D), (E), (F), (G), (H), and
15 (I) of section 36C(e)(1) (determined by applying ‘previously-owned qualified plug-in
16 electric drive motor vehicle’ for ‘new qualified plug-in electric drive motor vehicle’),
17 or which is a new qualified fuel cell motor vehicle (as defined in subparagraphs (A)
18 and (B) of section 30B(b)(3)) which has a gross vehicle weight rating of less than
19 14,000 pounds.

20 “(2) QUALIFIED SALE.—The term ‘qualified sale’ means a sale of a motor vehicle—

21 “(A) by a seller who holds such vehicle in inventory (within the meaning of section
22 471) for sale or lease,

23 “(B) for a sale price not to exceed \$25,000, and

24 “(C) which is the first transfer since the date of the enactment of this section to a
25 person other than the person with whom the original use of such vehicle commenced.

26 “(3) QUALIFIED BUYER.—The term ‘qualified buyer’ means, with respect to a sale of a
27 motor vehicle, a taxpayer—

28 “(A) who is an individual,

29 “(B) who purchases such vehicle for use and not for resale,

30 “(C) with respect to whom no deduction is allowable with respect to another
31 taxpayer under section 151,

32 “(D) who has not been allowed a credit under this section for any sale during the
33 3-year period ending on the date of the sale of such vehicle, and

34 “(E) who possesses a certificate issued by the seller that certifies—

35 “(i) that the vehicle is a previously-owned qualified plug-in electric drive motor
36 vehicle,

37 “(ii) the vehicle identification number of such vehicle,

1 “(iii) the capacity of the battery at time of sale, and

2 “(iv) such other information as the Secretary may require.

3 “(4) MOTOR VEHICLE; CAPACITY.—The terms ‘motor vehicle’ and ‘capacity’ have the
4 meaning given such terms in paragraphs (2) and (4) of section 36C(e), respectively.

5 “(e) VIN Number Requirement.—No credit shall be allowed under subsection (a) with respect
6 to any vehicle unless the taxpayer includes the vehicle identification number of such vehicle on
7 the return of tax for the taxable year.

8 “(f) Application of Certain Rules.—For purposes of this section, rules similar to the rules of
9 paragraphs (1), (2), (4), (5), and (6) of section 36C(f) shall apply for purposes of this section.

10 “(g) Certificate Submission Requirement.—The Secretary may require that the issuer of the
11 certificate described in subsection (c)(3)(E) submit such certificate to the Secretary at the time
12 and in the manner required by the Secretary.

13 “(h) Treatment of Certain Possessions.—

14 “(1) PAYMENTS TO POSSESSIONS WITH MIRROR CODE TAX SYSTEMS.—The Secretary shall
15 pay to each possession of the United States which has a mirror code tax system amounts
16 equal to the loss (if any) to that possession by reason of the application of the provisions of
17 this section. Such amounts shall be determined by the Secretary based on information
18 provided by the government of the respective possession.

19 “(2) PAYMENTS TO OTHER POSSESSIONS.—The Secretary shall pay to each possession of
20 the United States which does not have a mirror code tax system amounts estimated by the
21 Secretary as being equal to the aggregate benefits (if any) that would have been provided to
22 residents of such possession by reason of the provisions of this section if a mirror code tax
23 system had been in effect in such possession. The preceding sentence shall not apply unless
24 the respective possession has a plan which has been approved by the Secretary under which
25 such possession will promptly distribute such payments to its residents.

26 “(3) MIRROR CODE TAX SYSTEM; TREATMENT OF PAYMENTS.—Rules similar to the rules of
27 paragraphs (3), (4), and (5) of section 21(h) shall apply for purposes of this section.

28 “(i) Transfer of Credit.—Rules similar to the rules of section 36C(k) shall apply.

29 “(j) Termination.—No credit shall be allowed under this section with respect to any vehicle
30 acquired after December 31, 2031.”.

31 (b) Conforming Amendments.—

32 (1) Section 6211(b)(4)(A), as amended by the preceding provisions of this Act, is
33 amended by inserting “36D,” after “36C,”.

34 (2) Section 6213(g)(2), as amended by the preceding provisions of this Act, is
35 amended—

36 (A) in subparagraph (S), by striking “and” at the end,

37 (B) in subparagraph (T), by striking the period at the end and inserting “, and”, and

38 (C) by adding at the end the following:

39 “(U) an omission of a correct vehicle identification number required under section

1 36D(d) (relating to credit for previously-owned qualified plug-in electric drive motor
2 vehicles) to be included on a return.”.

3 (3) Paragraph (2) of section 1324(b) of title 31, United States Code, as amended by the
4 preceding provisions of this Act, is amended by inserting “36D,” after “36C,”.

5 (c) Clerical Amendment.—The table of sections for subpart C of part IV of subchapter A of
6 chapter 1, as amended by the preceding provisions of this Act, is amended by inserting after the
7 item relating to section 36C the following new item:

8 “Sec.36D.Previously-owned qualified plug-in electric drive motor vehicles.”.

9 (d) Effective Date.—The amendments made by this section shall apply to vehicles acquired
10 after December 31, 2021.

11 **SEC. 136403. QUALIFIED COMMERCIAL ELECTRIC** 12 **VEHICLES.**

13 (a) In General.—Subpart D of part IV of subchapter A of chapter 1 is amended by adding at
14 the end the following new section:

15 **“SEC. 45Y. CREDIT FOR QUALIFIED COMMERCIAL** 16 **ELECTRIC VEHICLES.**

17 “(a) In General.—For purposes of section 38, the qualified commercial electric vehicle credit
18 for any taxable year is an amount equal to the sum of the credit amounts determined under
19 subsection (b) with respect to each qualified commercial electric vehicle placed in service by the
20 taxpayer during the taxable year.

21 “(b) Per Vehicle Amount.—

22 “(1) IN GENERAL.—The amount determined under this subsection with respect to any
23 qualified commercial electric vehicle shall be equal to the lesser of—

24 “(A) 15 percent of the basis of such vehicle (30 percent in the case of a vehicle not
25 powered by a gasoline or diesel internal combustion engine), or

26 “(B) the incremental cost of such vehicle.

27 “(2) INCREMENTAL COST.—For purposes of paragraph (1)(B), the incremental cost of any
28 qualified commercial electric vehicle is an amount equal to the excess of the purchase price
29 for such vehicle over such price of a comparable vehicle.

30 “(3) COMPARABLE VEHICLE.—For purposes of this paragraph, the term ‘comparable
31 vehicle’ means, with respect to any qualified commercial electric vehicle, any vehicle which
32 is powered solely by a gasoline or diesel internal combustion engine and which is
33 comparable in size and use to such vehicle.

34 “(4) VEHICLES FOR LEASE TO INDIVIDUALS.—

35 “(A) IN GENERAL.—In the case of a commercial electric vehicle which is acquired
36 by the taxpayer for the purpose of leasing such vehicle to any individual, the amount
37 determined under this subsection with respect to such vehicle shall, at the election of
38 such taxpayer, be equal to the amount of the credit that would otherwise be allowed

1 under section 36C(a) with respect to such vehicle, as determined as if such vehicle—

2 “(i) is a new qualified plug-in electric drive motor vehicle, and

3 “(ii) has been acquired and placed in service by an individual.

4 “(B) ELECTION REQUIREMENTS.—

5 “(i) IN GENERAL.—An election under subparagraph (A) shall be made at such
6 time and in such manner as the Secretary prescribes by regulations or other
7 guidance.

8 “(ii) DISCLOSURE REQUIREMENT.—For purposes of any regulations or other
9 guidance prescribed under clause (i), the Secretary shall require that, as a
10 condition of an election under subparagraph (A), the taxpayer making such
11 election shall be required to disclose to the lessee of the commercial electric
12 vehicle the value of the credit allowed under this section.

13 “(c) Qualified Commercial Electric Vehicle.—For purposes of this section, the term ‘qualified
14 commercial electric vehicle’ means any vehicle which—

15 “(1) meets the requirements of subparagraphs (A) and (C) of section 36C(e)(1) without
16 regard to any gross vehicle weight rating **or the requirements of section 36C(d)**, and is
17 acquired for use or lease by the taxpayer and not for resale,

18 “(2) either—

19 “(A) meets the requirements of subparagraph (D) of section 36C(e)(1) and is
20 manufactured primarily for use on public streets, roads, and highways (not including a
21 vehicle operated exclusively on a rail or rails), or

22 “(B) is mobile machinery, as defined in section 4053(8) (including vehicles that are
23 not designed to perform a function of transporting a load over the public highways),

24 “(3) either—

25 “(A) is propelled to a significant extent by an electric motor which draws electricity
26 from a battery which has a capacity of not less than 15 kilowatt hours and is capable of
27 being recharged from an external source of electricity, or

28 “(B) is a new qualified fuel cell motor vehicle described in subparagraphs (A) and
29 (B) of section 30B(b)(3), and

30 “(4) is of a character subject to the allowance for depreciation.

31 “(d) Special Rules.—

32 “(1) IN GENERAL.—Subject to paragraph (2), rules similar to the rules under subsection
33 (f) of section 36C shall apply for purposes of this section.

34 “(2) RECAPTURE.—The Secretary shall, by regulations or other guidance, provide for
35 recapturing the benefit of any credit allowed under subsection (a) with respect to any
36 property which ceases to be property eligible for such credit, including regulations or other
37 guidance which, in the case of any commercial electric vehicle for which an election was
38 made under subsection (b)(4)—

39 “(A) recaptures the credit allowed under subsection (a) if—

1 “(i) such vehicle was not leased to an individual, or

2 “(ii) the taxpayer failed to comply with the requirements described in
3 subsection (b)(4)(B)(ii), and

4 “(B) in the case of a commercial electric vehicle which is leased by an individual
5 whose modified adjusted gross income exceeds the threshold amount under section
6 36C(c)(2), recaptures so much of the credit allowed under subsection (a) as exceeds the
7 amount of the credit which would have otherwise been allowable under such
8 subsection if, for purposes of subsection (b)(4)(A), the amount of the credit that would
9 otherwise be allowed under section 36C(a) with respect to such vehicle had been
10 determined as if such vehicle was acquired and placed in service by such individual
11 and subject to reduction under section 36C(c).

12 “(3) VEHICLES PLACED IN SERVICE BY TAX-EXEMPT ENTITIES.—Subsection (c)(4) shall not
13 apply to any vehicle which is not subject to a lease and which is placed in service by a
14 tax-exempt entity described in clause (i), (ii), or (iv) of section 168(h)(2)(A).

15 “(e) VIN Number Requirement.—No credit shall be determined under subsection (a) with
16 respect to any vehicle unless the taxpayer includes the vehicle identification number of such
17 vehicle on the return of tax for the taxable year.

18 “(f) Termination.—No credit shall be determined under this section with respect to any vehicle
19 acquired after December 31, 2031.”.

20 (b) Elective Payment of Credit in Case of Certain Tax-exempt Entities.—Section 6417(b), as
21 amended by the preceding provisions of this Act, is amended by adding at the end the following
22 new paragraph:

23 “(9) In the case of a tax-exempt entity described in clause (i), (ii), or (iv) of section
24 168(h)(2)(A), the credit for qualified commercial vehicles determined under section 45Y by
25 reason of subsection (d)(2) thereof.”.

26 (c) Conforming Amendments.—

27 (1) Section 38(b) is amended by striking paragraph (30) and inserting the following:

28 “(30) the qualified commercial electric vehicle credit determined under section 45Y,”.

29 (2) Section 6213(g)(2), as amended by the preceding provisions of this Act, is
30 amended—

31 (A) in subparagraph (T), by striking “and” at the end,

32 (B) in subparagraph (U), by striking the period at the end and inserting “, and”, and

33 (C) by adding at the end the following:

34 “(V) an omission of a correct vehicle identification number required under section
35 45Y(e) (relating to commercial electric vehicle credit) to be included on a return.”.

36 (3) The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended
37 by adding at the end the following new item:

38 “Sec.45Y.Qualified commercial electric vehicle credit.”.

39 (d) Effective Date.—The amendments made by this section shall apply to vehicles acquired

1 after December 31, 2021.

2 SEC. 136404. QUALIFIED FUEL CELL MOTOR VEHICLES.

3 (a) In General.—Section 30B(k)(1) is amended by striking “December 31, 2021” and inserting
4 “December 31, 2031”.

5 (b) New Qualified Fuel Cell Motor Vehicle.—Section 30B(b) is amended by striking “and” at
6 the end of subparagraph (D), by striking the period at the end of subparagraph (E) and inserting
7 “, and”, and by adding at the end the following new subparagraph:

8 “(F) which is not property of a character subject to an allowance for depreciation.”.

9 (c) Conforming Amendment.—Section 30B(g) is amended to read as follows:

10 “(g) Personal Credit.—For purposes of this title, the credit allowed under subsection (a) for
11 any taxable year (determined after application of paragraph (1)) shall be treated as a credit
12 allowable under subpart A for such taxable year.”.

13 (d) Effective Date.—The amendments made by this section shall apply to property placed in
14 service after December 31, 2021.

15 SEC. 136405. ALTERNATIVE FUEL REFUELING 16 PROPERTY CREDIT.

17 (a) In General.—Section 30C(g) is amended by striking “December 31, 2021” and inserting
18 “December 31, 2031”.

19 (b) Additional Credit for Certain Electric Charging Property.—

20 (1) IN GENERAL.—Section 30C(a) is amended—

21 (A) by striking “equal to 30 percent” and inserting the following: “equal to the sum
22 of—

23 “(1) 30 percent (6 percent in the case of property ~~described in subsection (b)(2))” of a
24 character subject to depreciation”.~~

25 (B) by striking the period at the end and inserting “, plus”, and

26 (C) by adding at the end the following new paragraph:

27 “(2) 4 percent of so much of such cost as exceeds the limitation under subsection (b)(1)
28 that does not exceed the amount of cost attributable to qualified alternative **fuel** vehicle
29 refueling property (determined without regard to subsection (c)(1) and as if only electricity,
30 and fuel at least 85 percent of the volume of which consists of hydrogen, were treated as
31 clean-burning fuels for purposes of section 179A(d)) which—

32 “(A) is intended for general public use with no associated fee or payment
33 arrangement,

34 “(B) is intended for general public use and accepts payment via a credit card reader,
35 including a credit card reader that uses contactless technology, or

36 “(C) is intended for use exclusively by commercial or governmental vehicles.”.

1 (2) CONFORMING AMENDMENT.—Section 30C(b) is amended—

2 (A) by striking “The credit allowed under subsection (a)” and inserting “The amount
3 of cost taken into account under subsection (a)(1)”,

4 (B) by striking “\$30,000” and inserting “\$100,000”, and

5 (C) by striking “\$1,000” and inserting “\$3,333.33”.

6 (3) BIDIRECTIONAL CHARGING EQUIPMENT INCLUDED AS QUALIFIED ALTERNATIVE FUEL
7 VEHICLE REFUELING PROPERTY.—Section 30C(c) is ~~amended~~ **amended to read as**
8 **follows:**

9 (A) by striking “For purposes of this section, the term” and inserting “For“(c) **Qualified**
10 **Alternative Fuel Vehicle Refueling Property.**—For purposes of this section—

11 “(1) IN GENERAL.—The ~~term~~”, and term ‘**qualified alternative fuel vehicle refueling**
12 **property**’ has the same meaning as the term ‘**qualified clean-fuel vehicle refueling**
13 **property**’ would have under section 179A if—

14 (B) by adding at the end the following new paragraph:“(A) **paragraph (1) of**
15 **section 179A(d) did not apply to property installed on property which is used as**
16 **the principal residence (within the meaning of section 121) of the taxpayer, and**

17 “(B) **only the following were treated as clean-burning fuels for purposes of**
18 **section 179A(d):**

19 “(i) **Any fuel at least 85 percent of the volume of which consists of one or**
20 **more of the following: ethanol, natural gas, compressed natural gas, liquified**
21 **natural gas, liquified petroleum gas, or hydrogen.**

22 “(ii) **Any mixture—**

23 “(I) **which consists of two or more of the following: biodiesel (as**
24 **defined in section 40A(d)(1)), diesel fuel (as defined in section**
25 **4083(a)(3)), or kerosene, and**

26 “(II) **at least 20 percent of the volume of which consists of biodiesel (as**
27 **so defined) determined without regard to any kerosene in such mixture.**

28 “(iii) **Electricity.**

29 “(2) BIDIRECTIONAL CHARGING EQUIPMENT.—Property shall not fail to be treated as
30 qualified alternative **fuel** vehicle refueling property solely because such property—

31 “(A) is capable of charging the battery of a motor vehicle propelled by electricity,
32 and

33 “(B) allows discharging electricity from such battery to an electric load external to
34 such motor vehicle.”.

35 (c) **Certain Electric Charging Stations Included as Qualified Alternative Fuel Vehicle**
36 **Refueling Property.**—Section 30C is amended by redesignating subsections (f) and (g) as
37 subsections (g) and (h), respectively, and by inserting after subsection (e) the following:

38 “(f) **Special Rule for Electric Charging Stations for Certain Vehicles With 2 or 3**
39 **Wheels.**—For purposes of this section—

1 “(1) IN GENERAL.—The term ‘qualified alternative fuel vehicle refueling property’
2 includes any property described in subsection (c) for the recharging of a motor vehicle
3 described in paragraph (2) that is propelled by electricity, but only if the property—

4 “(A) meets the requirements of subsection (a)(2), and

5 “(B) is of a character subject to depreciation.

6 “(2) MOTOR VEHICLE.—A motor vehicle is described in this paragraph if the motor
7 vehicle—

8 “(A) is manufactured primarily for use on public streets, roads, or highways (not
9 including a vehicle operated exclusively on a rail or rails), and

10 “(B) has at least 2, but not more than 3, wheels.”.

11 (d) Wage and Apprenticeship Requirements.—Section 30C, as amended by this section, is
12 further amended by redesignating subsections (g) and (h) as subsections (h) and (i) and by
13 inserting after subsection (f) the following new subsection:

14 “(g) Wage and Apprenticeship Requirements.—

15 “(1) INCREASED CREDIT AMOUNT.—

16 “(A) IN GENERAL.—In the case of any qualified alternative fuel vehicle refueling
17 project which satisfies the requirements of subparagraph (C), the amount of the credit
18 determined under subsection (a) **for property of a character subject to an allowance**
19 **for depreciation** shall be equal to such amount multiplied by 5 (determined without
20 regard to this sentence).

21 “(B) QUALIFIED ALTERNATIVE FUEL VEHICLE REFUELING PROJECT.—For purposes of
22 this subsection, the term ‘qualified alternative fuel vehicle refueling project’ means a
23 project consisting of multiple properties that are part of a single project. The
24 requirements of this paragraph shall be applied to such project.

25 “(C) PROJECT REQUIREMENTS.—A project meets the requirements of this
26 subparagraph if it is one of the following:

27 “(i) A project the construction of which begins prior to the date that is 60 days
28 after the Secretary publishes guidance with respect to the requirements of
29 paragraphs (2) and (3).

30 “(ii) A project which satisfies the requirements of paragraphs (2) and (3).

31 “(2) PREVAILING WAGE REQUIREMENTS.—

32 “(A) IN GENERAL.—The requirements described in this subparagraph with respect to
33 any qualified alternative fuel vehicle refueling project are that the taxpayer shall ensure
34 that any laborers and mechanics employed by contractors and subcontractors in the
35 construction of such property shall be paid wages at rates not less than the prevailing
36 rates for construction, alteration, or repair of a similar character in the locality as most
37 recently determined by the Secretary of Labor, in accordance with subchapter IV of
38 chapter 31 of title 40, United States Code.

39 “(B) CORRECTION AND PENALTY RELATED TO FAILURE TO SATISFY WAGE
40 REQUIREMENTS.—Rules similar to the rules of **clauses (i) through (iv) of section**

1 ~~45(b)(8)(B)~~ **45(b)(7)(B)** shall apply.

2 “(3) APPRENTICESHIP REQUIREMENTS.—Rules similar to the rules of section ~~45(b)(9)~~
3 **45(b)(8)** shall apply.

4 “(4) REGULATIONS AND GUIDANCE.—The Secretary shall issue such regulations or other
5 guidance as the Secretary determines necessary or appropriate to carry out the purposes of
6 this subsection, including regulations or other guidance which provides for requirements for
7 recordkeeping or information reporting for purposes of establishing the requirements of this
8 subsection.”.

9 (e) Effective Date.—The amendment made by this section shall apply to property placed in
10 service after December 31, 2021.

11 **SEC. 136406. REINSTATEMENT AND EXPANSION OF** 12 **EMPLOYER-PROVIDED FRINGE BENEFITS FOR** 13 **BICYCLE COMMUTING.**

14 (a) Repeal of Suspension of Exclusion for Qualified Bicycle Commuting Benefits.—Section
15 132(f) is amended by striking paragraph (8).

16 (b) Expansion of Bicycle Commuting Benefits.—Section 132(f)(5)(F) is amended to read as
17 follows:

18 “(F) DEFINITIONS RELATED TO BICYCLE COMMUTING BENEFITS.—

19 “(i) QUALIFIED BICYCLE COMMUTING BENEFIT.—The term ‘qualified bicycle
20 commuting benefit’ means, with respect to any calendar year—

21 “(I) any employer reimbursement during the 15-month period beginning
22 with the first day of such calendar year for reasonable expenses incurred by
23 the employee during such calendar year for the purchase (including
24 associated finance charges), lease, rental (including a bikeshare),
25 improvement, repair, or storage of qualified commuting property, or

26 “(II) the direct or indirect provision by the employer to the employee
27 during such calendar year of the use (including a bikeshare), improvement,
28 repair, or storage of qualified commuting property,

29 if the employee regularly uses such qualified commuting property for travel
30 between the employee’s residence, place of employment, a qualified parking
31 facility, or a mass transit facility that connects the employee to their residence or
32 place of employment.

33 “(ii) QUALIFIED COMMUTING PROPERTY.—The term ‘qualified commuting
34 property’ means—

35 “(I) any bicycle (other than a bicycle equipped with any motor),

36 “(II) any electric bicycle which meets the requirements of section
37 36E(c)(5),

38 “(III) any 2- or 3-wheel scooter (other than a scooter equipped with any

1 motor), and

2 “(IV) any 2- or 3-wheel scooter propelled by an electric motor if such
3 motor does not provide assistance if the speed of such scooter exceeds 20
4 miles per hour (or if the speed of such scooter is not capable of exceeding 20
5 miles per hour) and the weight of such scooter does not exceed 100 pounds.

6 “(iii) BIKESHARE.—The term ‘bikeshare’ means a rental operation at which
7 qualified commuting property is made available to customers to pick up and drop
8 off for point-to-point use within a defined geographic area.”.

9 (c) Limitation on Exclusion.—Section 132(f)(2)(C) is amended to read as follows:

10 “(C) 30 percent of the dollar amount in effect under subparagraph (B) per month in
11 the case of any qualified bicycle commuting benefit.”.

12 (d) No Constructive Receipt.—Section 132(f)(4) is amended by striking “(other than a
13 qualified bicycle commuting reimbursement)”.

14 (e) Conforming Amendments.—

15 (1) Section 132(f)(1)(D) is amended by striking “reimbursement” and inserting “benefit”.

16 (2) Section 274(l) is amended by striking paragraph (2).

17 (f) Effective Date.—The amendments made by this section shall apply to taxable years
18 beginning after December 31, 2021.

19 SEC. 136407. CREDIT FOR CERTAIN NEW ELECTRIC 20 BICYCLES.

21 (a) In General.—Subpart C of part IV of subchapter A of chapter 1, as amended by the
22 preceding provisions of this Act, is amended by inserting after section 36D the following new
23 section:

24 “SEC. 36E. ELECTRIC BICYCLES.

25 “(a) Allowance of Credit.—There shall be allowed as a credit against the tax imposed by this
26 chapter for the taxable year an amount equal to 30 percent of the cost of each qualified electric
27 bicycle placed in service by the taxpayer during such taxable year.

28 “(b) Limitations.—

29 “(1) LIMITATION ON COST PER ELECTRIC BICYCLE TAKEN INTO ACCOUNT.—The amount
30 taken into account under subsection (a) as the cost of any qualified electric bicycle shall not
31 exceed ~~\$5,000~~ **\$3,000**.

32 “(2) BICYCLE LIMITATION WITH RESPECT TO CREDIT.—

33 “(A) LIMITATION ON NUMBER OF PERSONAL-USE BICYCLES.—In the case of any
34 taxpayer for any taxable year, the number of personal-use bicycles taken into account
35 under subsection (a) shall not exceed the excess (if any) of—

36 “(i) 1 (2 in the case of a joint return), reduced by

37 “(ii) the aggregate number of bicycles taken into account by the taxpayer under

1 subsection (a) for the 2 preceding taxable years.

2 “(B) PHASEOUT BASED ON MODIFIED ADJUSTED GROSS INCOME.—The credit allowed
3 under subsection (a) shall be reduced by \$200 for each \$1,000 (or fraction thereof) by
4 which the taxpayer’s modified adjusted gross income exceeds—

5 “(i) \$150,000 in the case of a joint return or a surviving spouse (as defined in
6 section 2(a)),

7 “(ii) \$112,500 in the case of a head of household (as defined in section 2(b)),
8 and

9 “(iii) \$75,000 in the case of a taxpayer not described in clause (i) or (ii).

10 “(C) MODIFIED ADJUSTED GROSS INCOME.—For purposes of subparagraph (B), the
11 term ‘modified adjusted gross income’ means adjusted gross income increased by any
12 amount excluded from gross income under section 911, 931, or 933.

13 “(D) SPECIAL RULE FOR MODIFIED ADJUSTED GROSS INCOME TAKEN INTO
14 ACCOUNT.—The modified adjusted gross income of the taxpayer that is taken into
15 account for purposes of this paragraph shall be the lesser of—

16 “(i) the modified adjusted gross income for the taxable year in which the credit
17 is claimed, or

18 “(ii) the modified adjusted gross income for the immediately preceding taxable
19 year.

20 “(c) Qualified Electric Bicycle.—For purposes of this section, the term ‘qualified electric
21 bicycle’ means a bicycle—

22 “(1) the original use of which commences with the taxpayer,

23 “(2) which is acquired for use by the taxpayer and not for resale,

24 “(3) which is made by a qualified manufacturer and is labeled with the qualified vehicle
25 identification number assigned to such bicycle by such manufacturer,

26 “(4) with respect to which the aggregate amount paid for such acquisition does not
27 exceed ~~\$8,000~~, **\$4,000**, and

28 “(5) which is equipped with—

29 “(A) fully operable pedals,

30 “(B) a saddle or seat for the rider, and

31 “(C) an electric motor of less than 750 watts which is designed to provided
32 assistance in propelling the bicycle and—

33 “(i) does not provide such assistance if the bicycle is moving in excess of 20
34 miler per hour, or

35 “(ii) if such motor only provides such assistance when the rider is pedaling,
36 does not provide such assistance if the bicycle is moving in excess of 28 miles per
37 hour.

38 “(d) VIN Number Requirement.—

1 “(1) IN GENERAL.—No credit shall be allowed under subsection (a) with respect to any
2 qualified electric bicycle unless the taxpayer includes the qualified vehicle identification
3 number of such bicycle on the return of tax for the taxable year.

4 “(2) QUALIFIED VEHICLE IDENTIFICATION NUMBER.—For purposes of this section, the
5 term ‘qualified vehicle identification number’ means, with respect to any bicycle, the
6 vehicle identification number assigned to such bicycle by a qualified manufacturer pursuant
7 to the methodology referred to in paragraph (3).

8 “(3) QUALIFIED MANUFACTURER.—For purposes of this section, the term ‘qualified
9 manufacturer’ means any manufacturer of qualified electric bicycles which enters into an
10 agreement with the Secretary which provides that such manufacturer will—

11 “(A) assign a vehicle identification number to each qualified electric bicycle
12 produced by such manufacturer utilizing a methodology that will ensure that such
13 number (including any alphanumeric) is unique to such bicycle (by utilizing numbers
14 or letters which are unique to such manufacturer or by such other method as the
15 Secretary may provide),

16 “(B) label such bicycle with such number in such manner as the Secretary may
17 provide, and

18 “(C) make periodic written reports to the Secretary (at such times and in such
19 manner as the Secretary may provide) of the vehicle identification numbers so assigned
20 and including such information as the Secretary may require with respect to the
21 qualified electric bicycle to which such number was so assigned.

22 “(e) Special Rules.—

23 “(1) BASIS REDUCTION.—For purposes of this subtitle, the basis of any property for which
24 a credit is allowable under subsection (a) shall be reduced by the amount of such credit so
25 allowed.

26 “(2) NO DOUBLE BENEFIT.—The amount of any deduction or other credit allowable under
27 this chapter for a qualified electric bicycle for which a credit is allowable under subsection
28 (a) shall be reduced by the amount of credit allowed under such subsection for such bicycle.

29 “(3) PROPERTY USED OUTSIDE UNITED STATES NOT QUALIFIED.—No credit shall be
30 allowable under subsection (a) with respect to any property referred to in section 50(b)(1).

31 “(4) RECAPTURE.—The Secretary shall, by regulations or other guidance, provide for
32 recapturing the benefit of any credit allowable under subsection (a) with respect to any
33 property which ceases to be property eligible for such credit.

34 “(5) ELECTION NOT TO TAKE CREDIT.—No credit shall be allowed under subsection (a) for
35 any bicycle if the taxpayer elects to not have this section apply to such bicycle.

36 “(f) Treatment of Certain Possessions.—

37 “(1) PAYMENTS TO POSSESSIONS WITH MIRROR CODE TAX SYSTEMS.—The Secretary shall
38 pay to each possession of the United States which has a mirror code tax system amounts
39 equal to the loss (if any) to that possession by reason of the application of the provisions of
40 this section (determined without regard to this subsection). Such amounts shall be
41 determined by the Secretary based on information provided by the government of the

1 respective possession.

2 “(2) PAYMENTS TO OTHER POSSESSIONS.—The Secretary shall pay to each possession of
3 the United States which does not have a mirror code tax system amounts estimated by the
4 Secretary as being equal to the aggregate benefits (if any) that would have been provided to
5 residents of such possession by reason of the provisions of this section if a mirror code tax
6 system had been in effect in such possession. The preceding sentence shall not apply unless
7 the respective possession has a plan which has been approved by the Secretary under which
8 such possession will promptly distribute such payments to its residents.

9 “(3) MIRROR CODE TAX SYSTEM; TREATMENT OF PAYMENTS.—Rules similar to the rules of
10 paragraphs (3), (4), and (5) of section 21(h) shall apply for purposes of this section.

11 “(g) Transfer of Credit.—

12 “(1) IN GENERAL.—Subject to such regulations or other guidance as the Secretary
13 determines necessary or appropriate, if the taxpayer who acquires a qualified electric
14 bicycle after December 31, 2022 elects the application of this subsection with respect to
15 such qualified electric bicycle, the credit which would (but for this subsection) be allowed
16 to such taxpayer with respect to such qualified electric bicycle shall be allowed to the
17 eligible entity specified in such election (and not to such taxpayer).

18 “(2) ELIGIBLE ENTITY.—For purposes of this paragraph, the term ‘eligible entity’ means,
19 with respect to the qualified electric bicycle for which the credit is allowed under subsection
20 (a), the retailer which sold such qualified electric bicycle to the taxpayer and has—

21 “(A) subject to paragraph (4), registered with the Secretary for purposes of this
22 paragraph, at such time, and in such form and manner, as the Secretary may prescribe,

23 “(B) prior to the election described in paragraph (1) and no later than at the time of
24 such sale, disclosed to the taxpayer purchasing such qualified electric bicycle—

25 “(i) the retail price,

26 “(ii) the value of the credit allowed or other incentive available for the purchase
27 of such qualified electric bicycle,

28 “(iii) all fees associated with the purchase of such qualified electric bicycle, and

29 “(iv) the amount provided by the retailer to such taxpayer as a condition of the
30 election described in paragraph (1),

31 “(C) made payment to such taxpayer (whether in cash or in the form of a partial
32 payment or down payment for the purchase of such qualified electric bicycle) in an
33 amount equal to the credit otherwise allowable to such taxpayer, and

34 “(D) with respect to any incentive otherwise available for the purchase of a qualified
35 electric bicycle for which a credit is allowed under this section, including any incentive
36 in the form of a rebate or discount provided by the retailer or manufacturer, ensured
37 that—

38 “(i) the availability or use of such incentive shall not limit the ability of a
39 taxpayer to make an election described in paragraph (1), and

40 “(ii) such election shall not limit the value or use of such incentive.

1 “(3) TIMING.—An election described in paragraph (1) shall be made by the taxpayer not
2 later than the date on which the qualified electric bicycle for which the credit is allowed
3 under subsection (a) is purchased.

4 “(4) REVOCATION OF REGISTRATION.—Upon determination by the Secretary that a retailer
5 has failed to comply with the requirements described in paragraph (2), the Secretary may
6 revoke the registration (as described in subparagraph (A) of such paragraph) of such
7 retailer.

8 “(5) TAX TREATMENT OF PAYMENTS.—With respect to any payment described in
9 paragraph (2)(C), such payment—

10 “(A) shall not be includible in the gross income of the taxpayer, and

11 “(B) with respect to the retailer, shall not be deductible under this title.

12 “(6) APPLICATION OF CERTAIN OTHER REQUIREMENTS.—In the case of any election under
13 paragraph (1) with respect to any qualified electric bicycle—

14 “(A) the amount of the reduction under subsection (b) shall be determined with
15 respect to the modified adjusted gross income of the taxpayer for the taxable year
16 preceding the taxable year in which such qualified electric bicycle was acquired (and
17 not with respect to such income for the taxable year in which such qualified electric
18 bicycle was acquired),

19 “(B) the requirements of paragraphs (1) and (2) of subsection (e) shall apply to the
20 taxpayer who acquired the qualified electric bicycle in the same manner as if the credit
21 determined under this section with respect to such qualified electric bicycle were
22 allowed to such taxpayer, and

23 “(C) subsection (e)(5) shall not apply.

24 “(7) ADVANCE PAYMENT TO REGISTERED RETAILERS.—

25 “(A) IN GENERAL.—The Secretary shall establish a program to make advance
26 payments to any eligible entity in an amount equal to the cumulative amount of the
27 credits allowed under subsection (a) with respect to any qualified electric bicycles sold
28 by such entity for which an election described in paragraph (1) has been made.

29 “(B) EXCESSIVE PAYMENTS.—Rules similar to the rules of section ~~6417(e)(8)~~
30 **6417(c)(7)** shall apply for purposes of this paragraph.

31 “(8) RETAILER.—For purposes of this subsection, the term ‘retailer’ means a person
32 engaged in the trade or business of selling qualified electric bicycles in a State, the District
33 of Columbia, the Commonwealth of Puerto Rico, any other territory or possession of the
34 United States, ~~or an Indian Tribe~~ **tribal government** (as defined in section ~~4 of the Indian~~
35 ~~Self-Determination and Education Assistance Act (25 U.S.C. 5304)).~~ **48(e)(4)(F)(ii), or**
36 **any Alaska Native Corporation (as defined in section 3 of the Alaska Native Claims**
37 **Settlement Act (43 U.S.C. 1602(m)).**

38 “(h) Termination.—This section shall not apply to bicycles placed in service after December
39 31, ~~2026.~~ **2025.**”.

40 (b) Conforming Amendments.—

1 (1) Section 1016(a) is amended by striking “and” at the end of paragraph (38), by striking
2 the period at the end of paragraph (39) and inserting “, and”, and by adding at the end the
3 following new paragraph:

4 “(40) to the extent provided in section 36E(f)(1).”.

5 (2) Section 6211(b)(4)(A) of such Code is amended by inserting “36E by reason of
6 subsection (c)(2) thereof,” before “32,”.

7 (3) Section 6213(g)(2), as amended by the preceding provisions of this Act, is
8 amended—

9 (A) in subparagraph (U), by striking “and” at the end,

10 (B) in subparagraph (V), by striking the period at the end and inserting “, and”, and

11 (C) by adding at the end the following:

12 “(W) an omission of a correct vehicle identification number required under section
13 36E(d) (relating to electric bicycles credit) to be included on a return.”.

14 (4) Section 6501(m) is amended by inserting “36E(f)(4),” after “35(g)(11),”.

15 (5) Section 1324(b)(2) of title 31, United States Code, is amended by inserting “36E,”
16 after “36D,”.

17 (c) Clerical Amendment.—The table of sections for subpart B of part IV of subchapter A of
18 chapter 1 is amended by adding at the end the following new item:

19 “Sec.36E.Electric bicycles.”.

20 (d) Effective Date.—The amendments made by this section shall apply to property placed in
21 service after December 31, 2021, in taxable years ending after such date.

22 PART 5—INVESTMENT IN THE GREEN WORKFORCE 23 AND MANUFACTURING

24 SEC. 136501. EXTENSION OF THE ADVANCED ENERGY 25 PROJECT CREDIT.

26 (a) Extension of Credit.—Section 48C is amended by redesignating subsection (e) as
27 subsection (f) and by inserting after subsection (d) the following new subsection:

28 “(e) Additional Allocations.—

29 “(1) IN GENERAL.—Not later than 270 days after the date of enactment of this subsection,
30 the Secretary shall establish a program to consider and award certifications for qualified
31 investments eligible for credits under this section to qualifying advanced energy project
32 sponsors.

33 “(2) ANNUAL LIMITATION.—

34 “(A) IN GENERAL.—The amount of credits that may be allocated under this
35 subsection during any calendar year shall not exceed the annual credit limitation with
36 respect to such year.

1 “(B) ANNUAL CREDIT LIMITATION.—

2 “(i) IN GENERAL.—For purposes of this subsection, the term ‘annual credit
3 limitation’ means \$5,000,000,000 for each of calendar years 2022 through 2023,
4 \$1,875,000,000 for each of calendar years 2024 through 2031, and zero thereafter.

5 “(ii) AMOUNT SET ASIDE FOR AUTOMOTIVE COMMUNITIES.—

6 “(I) IN GENERAL.—For purposes of clause (i), \$800,000,000 of the annual
7 credit limitation for each of calendar years 2022 through 2023 and
8 \$300,000,000 for each of calendar years 2024 through 2031 shall be
9 allocated to qualified investments located within automotive communities.

10 “(II) AUTOMOTIVE COMMUNITIES.—For purposes of this clause, the term
11 ‘automotive communities’ means a census tract and any directly adjoining
12 census tract, including a no-population census tract, that has experienced
13 major job losses in the automotive manufacturing sector since January 1,
14 1994, as determined by the Secretary.

15 ~~“(iii) AMOUNT SET ASIDE FOR ENERGY COMMUNITIES.—For communities.—~~

16 ~~“(I) In general.—For purposes of clause (i), \$800,000,000 of the annual credit~~
17 ~~limitation for each of calendar years 2022 through 2023 and \$300,000,000 for~~
18 ~~each of calendar years 2024 through 2031 shall be allocated to qualified~~
19 ~~investments located within energy communities (as defined in section~~
20 ~~**45(b)(11)(B)).**~~

21 ~~“(II) Energy communities.—For purposes of this clause, the term ‘energy~~
22 ~~communities’ means a census tract or any directly adjoining census tract in~~
23 ~~which—~~

24 ~~“(aa) after December 31, 1999, a coal mine has closed, or~~

25 ~~“(bb) after December 31, 2009, a coal-fired electric generating unit has been~~
26 ~~retired.~~

27 “(C) CARRYOVER OF UNUSED LIMITATION.—If the annual credit limitation for any
28 calendar year exceeds the aggregate amount designated for such year under this
29 subsection, such limitation for the succeeding calendar year shall be increased by the
30 amount of such excess. No amount may be carried under the preceding sentence to any
31 calendar year after 2036.

32 “(3) CERTIFICATIONS.—

33 “(A) APPLICATION REQUIREMENT.—Each applicant for certification under this
34 subsection shall submit an application at such time and containing such information as
35 the Secretary may require.

36 “(B) TIME TO MEET CRITERIA FOR CERTIFICATION.—Each applicant for certification
37 shall have 2 years from the date of acceptance by the Secretary of the application
38 during which to provide to the Secretary evidence that the requirements of the
39 certification have been met.

40 “(C) PERIOD OF ISSUANCE.—An applicant which receives a certification shall have 2

1 years from the date of issuance of the certification in order to place the project in
2 service and to notify the Secretary that such project has been so placed in service, and
3 if such project is not placed in service (and the Secretary so notified) by that time
4 period, then the certification shall no longer be valid. If any certification is revoked
5 under this subparagraph, the amount of the annual credit limitation under paragraph (2)
6 for the calendar year in which such certification is revoked shall be increased by the
7 amount of the credit with respect to such revoked certification.

8 “(4) SELECTION CRITERIA.—Selection criteria similar to those in subsection (d)(3) shall
9 apply, except that in determining designations under this subsection, the Secretary shall—

10 “(A) in addition to the factors described in subsection (d)(3)(B), take into
11 consideration which projects—

12 “(i) will provide the greatest net impact in avoiding or reducing anthropogenic
13 emissions of greenhouse gases, as determined by the Secretary,

14 “(ii) will provide the greatest domestic job creation (both direct and indirect)
15 during the credit period,

16 “(iii) will provide the greatest job creation within the vicinity of the project,
17 particularly with respect to—

18 “(I) low-income communities (as described in section 45D(e)), and

19 “(II) dislocated workers who were previously employed in manufacturing,
20 coal power plants, or coal mining, and

21 “(iv) will provide the greatest job creation in areas with a population that is at
22 risk of experiencing higher or more adverse human health or environmental
23 effects and a significant portion of such population is comprised of communities
24 of color, low-income communities, Tribal and Indigenous communities, or
25 individuals formerly employed in the fossil fuel industry, and

26 “(B) give the highest priority to projects which—

27 “(i) manufacture (other than primarily assembly of components) property
28 described in a subclause of subsection (c)(1)(A)(i) (or components thereof), and

29 “(ii) have the greatest potential for commercial deployment of new
30 applications.

31 “(5) DISCLOSURE OF ALLOCATIONS.—The Secretary shall, upon allocating a credit under
32 this subsection, publicly disclose the identity of the applicant, the amount of the credit with
33 respect to such applicant, and the project location for which such credit was allocated.

34 “(6) CREDIT CONDITIONED UPON WAGE AND APPRENTICESHIP REQUIREMENTS.—

35 “(A) BASE RATE.—For purposes of allocations under this subsection, the amount of
36 the credit determined under subsection (a) shall be determined by substituting ‘6
37 percent’ for ‘30 percent’.

38 “(B) ALTERNATIVE RATE.—In the case of any project which satisfies the
39 requirements of paragraphs (7) and (8), the amount of the credit determined under
40 subsection (a) (**after application of subparagraph (A)**) shall be equal to such amount

1 multiplied by 5.

2 “(7) PREVAILING WAGE REQUIREMENTS.—

3 “(A) IN GENERAL.—The requirements described in this paragraph with respect to a
4 project are that the taxpayer shall ensure that any laborers and mechanics employed by
5 contractors and subcontractors in the re-equipping, expansion, or establishment of a
6 manufacturing facility shall be paid wages at rates not less than the prevailing rates for
7 construction, alteration, or repair of a similar character in the locality as most recently
8 determined by the Secretary of Labor, in accordance with subchapter IV of chapter 31
9 of title 40, United States Code.

10 “(B) CORRECTION AND PENALTY RELATED TO FAILURE TO SATISFY WAGE
11 REQUIREMENTS.—In the case of any taxpayer which fails to satisfy the requirement
12 under subparagraph (A) with respect to any project—

13 “(i) rules similar to the rules of **clauses (i) through (iv) of section 45(b)(8)(B)**
14 **45(b)(7)(B)** shall apply, and

15 “(ii) if the failure to satisfy the requirement under subparagraph (A) is not
16 corrected pursuant to the rules described in clause (i), the certification with
17 respect to the re-equipping, expansion, or establishment of a manufacturing
18 facility shall no longer be valid.

19 “(8) APPRENTICESHIP REQUIREMENTS.—Rules similar to the rules of section 45(b)(9)
20 **45(b)(8)** shall apply.”.

21 (b) Modification of Qualifying Advanced Energy Projects.—

22 (1) INCLUSION OF WATER AS A RENEWABLE RESOURCE.—Section 48C(c)(1)(A)(i)(I) is
23 amended by inserting “water,” after “sun,”.

24 (2) ENERGY STORAGE SYSTEMS.—Section 48C(c)(1)(A)(i)(II) is amended by striking “an
25 energy storage system for use with electric or hybrid-electric motor vehicles” and inserting
26 “energy storage systems and components”.

27 (3) MODIFICATION OF QUALIFYING ELECTRIC GRID PROPERTY.—Section
28 48C(c)(1)(A)(i)(III) is amended to read as follows:

29 “(III) electric grid modernization equipment or components,”.

30 (4) USE OF CAPTURED CARBON.—Section 48C(c)(1)(A)(i)(IV) is amended by striking
31 “sequester” and insert “use or sequester”.

32 (5) ELECTRIC VEHICLES AND BICYCLES.—Section 48C(c)(1)(A)(i)(VI) is amended—

33 (A) by striking “new qualified plug-in electric drive motor vehicles (as defined by
34 section 30D)” and inserting “vehicles described in sections 36C and 45Y, and bicycles
35 described in section 36E”, and

36 (B) and striking “and power control units” and inserting “power control units, and
37 equipment used for charging or refueling”.

38 (6) PROPERTY FOR PRODUCTION OF HYDROGEN.—Section 48C(c)(1)(A)(i) is amended by
39 striking “or” at the end of subclause (VI), by redesignating subclause (VII) as subclause
40 (VIII), and by inserting after subclause (VI) the following new subclause:

1 “(VII) property designed to be used to produce qualified clean hydrogen
2 (as defined in section 45X), or”.

3 (7) RECYCLING OF ADVANCED ENERGY PROPERTY.—Section 48C(c)(1) is amended by
4 adding at the end the following new subparagraph:

5 “(C) SPECIAL RULE FOR CERTAIN RECYCLING FACILITIES.—A facility which recycles
6 batteries or similar energy storage property described in subparagraph (A)(i) shall be
7 treated as part of a manufacturing facility described in such subparagraph.”.

8 (c) Denial of Double Benefit.—48C(f), as redesignated by this section, is amended by striking
9 “or 48B” and inserting “48B, 48F, 45Q, or 45X”.

10 ~~(d) Qualifying Advanced Energy Project.—Section 48C(e)(1)(A) is amended by striking~~
11 ~~“and” at the end of clause (i), by redesignating clause (ii) as clause (iii), and by inserting after~~
12 ~~clause (i) the following new clause:~~

13 ~~“(i) which re-equips a manufacturing facility with equipment designed to reduce greenhouse-~~
14 ~~gas emissions by at least 20 percent, as determined by the Secretary, and”.~~

15 (e) Effective Date.—The amendments made by this section shall take effect on January 1,
16 2022.

17 **SEC. 136502. LABOR COSTS OF INSTALLING** 18 **MECHANICAL INSULATION PROPERTY.**

19 (a) In General.—Subpart D of part IV of subchapter A of chapter 1, as amended by the
20 preceding provisions of this Act, is further amended by adding at the end the following new
21 section:

22 **“SEC. 45Z. LABOR COSTS OF INSTALLING** 23 **MECHANICAL INSULATION PROPERTY.**

24 “(a) In General.—For purposes of section 38, the mechanical insulation labor costs credit
25 determined under this section for any taxable year is an amount equal to 2 percent of the
26 mechanical insulation labor costs paid or incurred by the taxpayer during such taxable year.

27 “(b) Mechanical Insulation Labor Costs.—For purposes of this section—

28 “(1) IN GENERAL.—The term ‘mechanical insulation labor costs’ means the labor cost of
29 installing mechanical insulation property with respect to a mechanical system referred to in
30 paragraph (2)(A) which was originally placed in service not less than 1 year before the date
31 on which such mechanical insulation property is installed.

32 “(2) MECHANICAL INSULATION PROPERTY.—The term ‘mechanical insulation property’
33 means insulation materials, and facings and accessory products installed in connection to
34 such insulation materials—

35 “(A) placed in service in connection with a mechanical system which—

36 “(i) is located in the United States,

37 “(ii) is of a character subject to an allowance for depreciation, and

1 “(iii) meets the requirements of section 434.403 of title 10, Code of Federal
2 Regulations (as in effect on the date of enactment of this section), and

3 “(B) which result in a reduction in energy loss from the mechanical system which is
4 greater than the expected reduction from the installation of insulation materials which
5 meet the minimum requirements of Reference Standard 90.1 (as defined in section
6 179D(c)(2)).

7 “(c) Wage and Apprenticeship Requirements.—

8 “(1) IN GENERAL.—In the case of any project which meets the prevailing wage and
9 apprenticeship requirements of this subsection, the amount of credit determined under
10 subsection (a) shall be multiplied by 5.

11 “(2) WAGE REQUIREMENTS.—Rules similar to the rules of section ~~45(b)(8)~~ **45(b)(7)(A)**
12 **and clauses (i) through (iv) of section 45(b)(7)(B)** shall apply.

13 “(3) APPRENTICESHIP REQUIREMENTS.—Rules similar to the rules of section ~~45(b)(9)~~
14 **45(b)(8)** shall apply.

15 “(d) Termination.—This section shall not apply to mechanical insulation labor costs paid or
16 incurred after December 31, ~~2027.~~ **2025.**”

17 (b) Credit Allowed as Part of General Business Credit.—Section 38(b), as amended by the
18 preceding provisions of this Act, is further amended by striking “plus” at the end of paragraph
19 (36), by striking the period at the end of paragraph (37) and inserting “, plus”, and by adding at
20 the end the following new paragraph:

21 “(38) the mechanical insulation labor costs credit determined under section 45Z(a).”

22 (c) Conforming Amendments.—

23 (1) Section 280C is amended by adding at the end the following new subsection:

24 “(i) Mechanical Insulation Labor Costs Credit.—

25 “(1) IN GENERAL.—No deduction shall be allowed for that portion of the mechanical
26 insulation labor costs (as defined in section 45Z(b)) otherwise allowable as deduction for
27 the taxable year which is equal to the amount of the credit determined for such taxable year
28 under section 45Z(a).

29 “(2) SIMILAR RULE WHERE TAXPAYER CAPITALIZES RATHER THAN DEDUCTS
30 EXPENSES.—If—

31 “(A) the amount of the credit determined for the taxable year under section 45Z(a),
32 exceeds

33 “(B) the amount of allowable as a deduction for such taxable year for mechanical
34 insulation labor costs (determined without regard to paragraph (1)),

35 the amount chargeable to capital account for the taxable year for such costs shall be reduced
36 by the amount of such excess.”

37 (2) The table of sections for subpart D of part IV of subchapter A of chapter 1, as
38 amended by the preceding provisions of this Act, is further amended by adding at the end
39 the following new item:

1 “Sec.45Z.Labor costs of installing mechanical insulation property.”.

2 (d) Effective Date.—The amendments made by this section shall apply to amounts paid or
3 incurred after December 31, 2021, in taxable years ending after such date.

4 **SEC. 136503. ADVANCED MANUFACTURING**
5 **INVESTMENT CREDIT.**

6 (a) In General.—Subpart E of part IV of subchapter A of chapter 1 is amended by inserting
7 after section 48D the following new section:

8 **“SEC. 48E. ADVANCED MANUFACTURING**
9 **INVESTMENT CREDIT.**

10 “(a) Establishment of Credit.—

11 “(1) IN GENERAL.—For purposes of section 46, the advanced manufacturing investment
12 credit for any taxable year is an amount equal to the applicable percentage of the qualified
13 investment for such taxable year with respect to any advanced manufacturing facility.

14 “(2) APPLICABLE PERCENTAGE.—

15 “(A) BASE AMOUNT.—In the case of any advanced manufacturing facility which
16 does not satisfy the requirements described in clauses (i) and (ii) of subparagraph (B),
17 the applicable percentage shall be 5 percent.

18 “(B) ALTERNATIVE AMOUNT.—In the case of any advanced manufacturing facility
19 which—

20 “(i) subject to subparagraph (B) of subsection (c)(2), satisfies the requirements
21 under subparagraph (A) of such subsection, and

22 “(ii) with respect to the construction of such facility, satisfies the apprenticeship
23 requirements under subsection (c)(3),

24 the applicable percentage shall be 25 percent.

25 “(b) Qualified Investment.—

26 “(1) IN GENERAL.—For purposes of subsection (a)(1), the qualified investment with
27 respect to any advanced manufacturing facility for any taxable year is the basis of any
28 qualified property placed in service by the taxpayer during such taxable year which is part
29 of an advanced manufacturing facility.

30 “(2) QUALIFIED PROPERTY.—

31 “(A) IN GENERAL.—For purposes of this subsection, the term ‘qualified property’
32 means property—

33 “(i) which is tangible property,

34 “(ii) with respect to which depreciation (or amortization in lieu of depreciation)
35 is allowable,

36 “(iii) which is—

1 “(I) constructed, reconstructed, or erected by the taxpayer, or
2 “(II) acquired by the taxpayer if the original use of such property
3 commences with the taxpayer, and
4 “(iv) which is integral to the operation of the advanced manufacturing facility.

5 “(B) BUILDINGS AND STRUCTURAL COMPONENTS.—

6 “(i) IN GENERAL.—The term ‘qualified property’ ~~shall include~~ **includes** any
7 building or its structural components which otherwise satisfy the requirements
8 under subparagraph (A).

9 “(ii) EXCEPTION.—Clause (i) shall not apply with respect to ~~any offices or other~~
10 ~~administrative buildings.~~ **a building or portion of a building used for offices,**
11 **administrative services or other functions unrelated to manufacturing.**

12 “(3) ADVANCED MANUFACTURING FACILITY.—For purposes of this subpart, the term
13 ‘advanced manufacturing facility’ means a **facility** ~~facility~~—

14 ~~“(A) for which the primary purpose is the manufacturing of semiconductors and or~~
15 ~~semiconductor tooling equipment, and~~

16 ~~“(B) the construction of which begins before January 1, 2027.~~

17 “(4) COORDINATION WITH REHABILITATION CREDIT.—The qualified investment with
18 respect to any advanced manufacturing facility for any taxable year shall not include that
19 portion of the basis of any property which is attributable to qualified rehabilitation
20 expenditures (as defined in section 47(c)(2)).

21 “(c) Special Rules.—

22 “(1) CERTAIN PROGRESS EXPENDITURE RULES MADE APPLICABLE.—Rules similar to the
23 rules of subsections (c)(4) and (d) of section 46 (as in effect on the day before the date of
24 the enactment of the Revenue Reconciliation Act of 1990) shall apply for purposes of
25 subsection (a).

26 “(2) WAGE REQUIREMENTS.—

27 “(A) IN GENERAL.—The requirements described in this subparagraph with respect to
28 any facility are that the taxpayer shall ensure that any laborers and mechanics
29 employed by contractors and subcontractors in—

30 “(i) the construction of such facility, and

31 “(ii) for any year during the 5-year period beginning on the date the facility is
32 originally placed in service, the alteration or repair of such facility,

33 shall be paid wages at rates not less than the prevailing rates for construction,
34 alteration, or repair of a similar character in the locality as most recently determined by
35 the Secretary of Labor, in accordance with subchapter IV of chapter 31 of title 40,
36 United States Code.

37 “(B) CORRECTION AND PENALTY RELATED TO FAILURE TO SATISFY WAGE
38 REQUIREMENTS.—Rules similar to the rules of **clauses (i) through (iv) of** section
39 ~~45(b)(8)(B)~~ **45(b)(7)(B)** shall apply.

1 “(C) RECAPTURE.—The Secretary shall, by regulations or other guidance, provide
2 for recapturing the benefit of any increase in the credit allowed under paragraph (2)(B)
3 of subsection (a), with respect to any project which does not satisfy the requirements
4 under subparagraph (A) (after application of subparagraph (B)) for the period
5 described in clause (ii) of subparagraph (A) (but which does not cease to be investment
6 credit property within the meaning of section 50(a)). The period and percentage of
7 such recapture shall be determined under rules similar to the rules of section 50(a).

8 “(3) APPRENTICESHIP REQUIREMENTS.—Rules similar to the rules of section 45(b)(9)
9 **45(b)(8)** shall apply.

10 “(4) REGULATIONS AND GUIDANCE.—The Secretary shall issue such regulations or other
11 guidance as the Secretary determines necessary or appropriate to carry out the purposes of
12 this section, including regulations or other guidance which provides for requirements for
13 recordkeeping or information reporting for purposes of establishing the requirements of this
14 section.”.

15 **section.**

16 **“(d) Termination of Credit.—The credit allowed under this section shall not apply to**
17 **facilities or property the construction of which begins after December 31, 2025.”.**

18 (b) Elective Payment of Credit.—Section 6417(b), as amended by the preceding provisions of
19 this Act, is amended by adding at the end the following new paragraph:

20 “(10) The advanced manufacturing investment credit determined under section 48E.”.

21 (c) Conforming Amendments.—

22 (1) Section 46 is amended—

23 (A) by striking “and” at the end of paragraph (6),

24 (B) by striking the period at the end of paragraph (7) and inserting “, and”, and

25 (C) by adding at the end the following new paragraph:

26 “(8) the advanced manufacturing investment credit.”.

27 (2) Section 49(a)(1)(C) is amended—

28 (A) by striking “and” at the end of clause (vi),

29 (B) by striking the period at the end of clause (vii) and inserting “, and”, and

30 (C) by adding at the end the following new clause:

31 “(viii) the basis of any qualified property (as defined in section 48E(b)(2))
32 which is part of an advanced manufacturing facility.”.

33 (3) Section 50(a)(2)(E) is amended by striking “or 48D(e)” and inserting “48D(e), or
34 48E(c)(1)”.

35 (4) The table of sections for subpart E of part IV of subchapter A of chapter 1 is amended
36 by inserting after the item relating to section 48D the following new item:

37 “48E. Advanced manufacturing investment credit.”.

1 (d) Effective Date.—The amendments made by this section shall apply to property placed in
2 service after December 31, 2021 and, for any property the construction of which begins prior to
3 January 1, 2022, only to the extent of the basis thereof attributable to the construction,
4 reconstruction, or erection after December 31, 2021.

5 SEC. 136504. ADVANCED MANUFACTURING 6 PRODUCTION CREDIT.

7 (a) In General.—Subpart D of part IV of subchapter A of chapter 1 is amended by adding at
8 the end the following new section:

9 “SEC. 45AA. ADVANCED MANUFACTURING 10 PRODUCTION CREDIT.

11 “(a) In General.—

12 “(1) ALLOWANCE OF CREDIT.—For purposes of section 38, the advanced manufacturing
13 production credit for any taxable year is an amount equal to the sum of the credit amounts
14 determined under subsection (b) with respect to each eligible component which is—

15 “(A) produced by such taxpayer, and

16 “(B) during the taxable year, sold by the taxpayer to an unrelated person ~~for the use~~
17 ~~of such person in their trade or business.~~

18 “(2) PRODUCTION AND SALE MUST BE IN TRADE OR BUSINESS.—Any eligible component
19 produced and sold by the taxpayer shall be taken into account only if the production and
20 sale described in paragraph (1) is in a trade or business of the taxpayer.

21 “(3) UNRELATED PERSON.—**For purposes of this subsection, a taxpayer shall be**
22 **treated as selling components to an unrelated person if such component is sold to such**
23 **person by a person related to the taxpayer.**

24 “(b) Credit Amount.—

25 “(1) IN GENERAL.—Subject to paragraph (3), the amount determined under this
26 subsection with respect to any eligible component, including any eligible component it
27 incorporates, shall be equal to—

28 “(A) in the case of a thin ~~film~~ **photovoltaic cell or a crystalline** photovoltaic cell,
29 an amount equal to the product of—

30 “(i) ~~5~~ **4** cents, multiplied by

31 “(ii) the capacity of such cell (expressed on a per direct current watt basis)“~~(B)~~
32 ~~in the case of a crystalline photovoltaic cell, an amount equal to the product of—,~~

33 “~~(i) 4 cents, multiplied by~~

34 “~~(ii) the capacity of such cell (expressed on a per direct current watt basis),~~

35 “~~(C)~~“(B) in the case of a photovoltaic wafer, \$12 per square meter,

36 “~~(D)~~“(C) in the case of solar grade polysilicon, \$3 per kilogram,

1 ~~“(E)“~~“(D) in the case of a solar module, an amount equal to the product of—
2 “(i) 7 cents, multiplied by
3 “(ii) the capacity of such module (expressed on a per direct current watt basis),
4 and

5 ~~“(F)“~~“(E) in the case of a wind energy component, an amount equal to the product
6 of—
7 “(i) the applicable amount with respect to such component, multiplied by
8 “(ii) the total rated capacity (expressed on a per watt basis) of the completed
9 wind turbine for which such component is designed.

10 “(2) APPLICABLE AMOUNT.—For purposes of paragraph ~~(1)(F)~~(1)(E), the applicable
11 amount with respect to any wind energy component shall be—

12 “(A) in the case of a blade, 2 cents,
13 “(B) in the case of a nacelle, 5 cents,
14 “(C) in the case of a tower, 3 cents, and
15 “(D) in the case of an offshore wind foundation—
16 “(i) which uses a fixed platform, 2 cents, or
17 “(ii) which uses a floating platform, 4 cents.

18 “(3) PHASE OUT.—

19 “(A) IN GENERAL.—In the case of any eligible component sold after December 31,
20 2026, the amount determined under this subsection with respect to such component
21 shall be equal to the product of—

22 “(i) the amount determined under paragraph (1) with respect to such
23 component, as determined without regard to this paragraph, multiplied by
24 “(ii) the phase out percentage under subparagraph (B).

25 “(B) PHASE OUT PERCENTAGE.—The phase out percentage under this subparagraph
26 is equal to—

27 “(i) in the case of an eligible component sold during calendar year 2027, 75
28 percent,
29 “(ii) in the case of an eligible component sold during calendar year 2028, 50
30 percent,
31 “(iii) in the case of an eligible component sold during calendar year 2029, 25
32 percent,
33 “(iv) in the case of an eligible component sold after December 31, 2029, 0
34 percent.

35 “(c) Definitions.—For purposes of this section—

36 “(1) ELIGIBLE COMPONENT.—

1 “(A) IN GENERAL.—The term ‘eligible component’ means—

2 “(i) any solar energy component, and

3 “(ii) any wind energy component.

4 “(B) APPLICATION WITH OTHER CREDITS.—~~WITH RESPECT TO ANY TAXABLE YEAR,~~
5 ~~THE CREDITS.~~—**The** term ‘eligible component’ shall not include any property which is
6 produced at a facility ~~which, for such taxable year or any previous taxable year,~~ **if** the
7 basis of any property which is part of such facility is taken into account for purposes of
8 the credit allowed under section 48C or 48E **after the date of the enactment of this**
9 **section.**

10 “(2) SOLAR ENERGY COMPONENT.—

11 “(A) IN GENERAL.—The term ‘solar energy component’ means any of the following:

12 “(i) Solar modules.

13 “(ii) Photovoltaic cells.

14 “(iii) Photovoltaic wafers.

15 “(iv) Solar grade polysilicon.

16 “(B) ASSOCIATED DEFINITIONS.—

17 “(i) PHOTOVOLTAIC CELL.—The term ‘photovoltaic cell’ means the smallest
18 semiconductor element of a solar module which performs the immediate
19 conversion of light into electricity.

20 “(ii) PHOTOVOLTAIC WAFER.—The term ‘photovoltaic wafer’ means a thin
21 slice, sheet, or layer of semiconductor material of at least 240 square centimeters
22 produced by a single manufacturer—

23 “(I) either—

24 “(aa) directly from molten or evaporated solar grade polysilicon or
25 deposition of solar grade thin film semiconductor photon absorber layer,
26 or

27 “(bb) through formation of an ingot from molten polysilicon and
28 subsequent slicing, and

29 “(II) which comprises the substrate or absorber layer of one or more
30 photovoltaic cells.

31 “(iii) SOLAR GRADE POLYSILICON.—The term ‘solar grade polysilicon’ means
32 silicon which is—

33 “(I) suitable for use in photovoltaic manufacturing, and

34 “(II) purified to a minimum purity of 99.999999 percent silicon by mass.

35 “(iv) SOLAR MODULE.—The term ‘solar module’ means the connection and
36 lamination of photovoltaic cells into an environmentally protected final assembly
37 which is—

1 “(I) suitable to generate electricity when exposed to sunlight, and
2 “(II) ready for installation without an additional manufacturing process.

3 “(3) WIND ENERGY COMPONENT.—

4 “(A) IN GENERAL.—The term ‘wind energy component’ means any of the following:

5 “(i) Blades.

6 “(ii) Nacelles.

7 “(iii) Towers.

8 “(iv) Offshore wind foundations.

9 “(B) ASSOCIATED DEFINITIONS.—

10 “(i) BLADE.—The term ‘blade’ means an airfoil-shaped blade which is
11 responsible for converting wind energy to low-speed rotational energy.

12 “(ii) OFFSHORE WIND FOUNDATION.—The term ‘offshore wind foundation’
13 means the component which secures an offshore wind tower and any above-water
14 turbine components to the seafloor using—

15 “(I) fixed platforms, such as offshore wind monopiles, jackets, or
16 gravity-based foundations, or

17 “(II) floating platforms and associated mooring systems.

18 “(iii) NACELLE.—The term ‘nacelle’ means the assembly of the drivetrain and
19 other tower-top components of a wind turbine (with the exception of the blades
20 and the hub) within their cover housing.

21 “(iv) TOWER.—The term ‘tower’ means a tubular or lattice structure which
22 supports the nacelle and rotor of a wind turbine.

23 “(d) Special Rules.—In this section—

24 “(1) RELATED PERSONS.—Persons shall be treated as related to each other if such persons
25 would be treated as a single employer under the regulations prescribed under section 52(b).-
26 ~~In the case of a corporation which is a member of an affiliated group of corporations filing a~~
27 ~~consolidated return, such corporation shall be treated as selling components to an unrelated~~
28 ~~person if such component is sold to such a person by another member of such group.~~

29 “(2) ONLY PRODUCTION IN THE UNITED STATES TAKEN INTO ACCOUNT.—Sales shall be
30 taken into account under this section only with respect to eligible components the
31 production of which is within—

32 “(A) the United States (within the meaning of section 638(1)), or

33 “(B) a possession of the United States (within the meaning of section 638(2)).

34 “(3) PASS-THRU IN THE CASE OF ESTATES AND TRUSTS.—Under regulations prescribed by
35 the Secretary, rules similar to the rules of subsection (d) of section 52 shall apply.

36 “(4) CREDIT EQUAL TO 10 PERCENT OF THE CREDIT AMOUNT FOR UNION FACILITIES.—In
37 the case of a facility operating under a collective bargaining agreement negotiated by an

1 employee organization (as defined in section 412(c)(4)), determined in a manner consistent
2 with section 7701(a)(46), for purposes of determining the amount of the credit under
3 subsection (a) with respect to eligible components produced by such facility, the applicable
4 amount under subsection (b) of such subsection shall be increased by an amount equal to 10
5 percent of the amount otherwise in effect under such ~~subsection.~~”.

6 **subsection.**

7 **“(5) SALE OF INTEGRATED COMPONENTS.—For purposes of this section, a person**
8 **shall be treated as having sold an eligible component if such component is integrated,**
9 **incorporated, or assembled into another eligible component which is sold to an**
10 **unrelated person.”.**

11 (b) Elective Payment of Credit.—Section 6417(b), as amended by the preceding provisions of
12 this Act, is amended by adding at the end the following new paragraph:

13 “(11) The credit for advanced manufacturing production under section 45AA.”.

14 (c) Conforming Amendments.—

15 (1) Section 38(b) of the Internal Revenue Code of 1986 is amended—

16 (A) in paragraph (37), by striking “plus” at the end,

17 (B) in paragraph (38), by striking the period at the end and inserting “, plus”, and

18 (C) by adding at the end the following new paragraph:

19 “(39) the advanced manufacturing production credit determined under section 45AA(a).”.

20 (2) The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended
21 by adding at the end the following new item:

22 “Sec.45AA.Advanced manufacturing production credit.”.

23 (d) Effective Date.—The amendments made by this section shall apply to components
24 produced and sold after December 31, 2021.

25 **PART 6—ENVIRONMENTAL JUSTICE**

26 **SEC. 136601. QUALIFIED ENVIRONMENTAL JUSTICE**
27 **PROGRAM CREDIT.**

28 (a) In General.—Subpart C of part IV of subchapter A of chapter 1, as amended by the
29 preceding provisions of this Act, is amended by inserting after section 36F the following new
30 section:

31 **“SEC. 36G. QUALIFIED ENVIRONMENTAL JUSTICE**
32 **PROGRAMS.**

33 “(a) Allowance of Credit.—In the case of an eligible educational institution, there shall be
34 allowed as a credit against the tax imposed by this subtitle for any taxable year an amount equal
35 to the applicable percentage of the amounts paid or incurred by such taxpayer during such
36 taxable year which are necessary for a qualified environmental justice program.

1 “(b) Qualified Environmental Justice Program.—For purposes of this section—

2 “(1) IN GENERAL.—The term ‘qualified environmental justice program’ means a program
3 conducted by one or more eligible educational institutions that is designed to address, or
4 improve data about, qualified environmental stressors for the primary purpose of improving,
5 or facilitating the improvement of, health and economic outcomes of individuals residing in
6 low-income areas or areas that experience, or are at risk of experiencing, multiple exposures
7 to qualified environmental stressors.

8 “(2) QUALIFIED ENVIRONMENTAL STRESSOR.—The term ‘qualified environmental
9 stressor’ means, with respect to an area, a contamination of the air, water, soil, or food with
10 respect to such area or a change relative to historical norms of the weather conditions of
11 such area, including—

12 “(A) toxic pollutants (such as lead, pesticides, or fine particulate matter) in air, soil,
13 food, or water,

14 “(B) high rates of asthma prevalence and incidence, and

15 “(C) such other adverse human health or environmental effects as are identified by
16 the Secretary.

17 “(c) Eligible Educational Institution.—For purposes of this section, the term ‘eligible
18 educational institution’ means an institution of higher education (as such term is defined in
19 section 101 or 102(c) of the Higher Education Act of 1965) that is eligible to participate in a
20 program under title IV of such Act.

21 “(d) Applicable Percentage.—For purposes of this section, the term ‘applicable percentage’
22 means—

23 “(1) in the case of a program involving material participation of faculty and students of
24 an institution described in section 371(a) of the Higher Education Act of 1965, 30 percent,
25 and

26 “(2) in all other cases, 20 percent.

27 “(e) Credit Allocation.—

28 “(1) ALLOCATION.—

29 “(A) IN GENERAL.—The Secretary shall allocate credit dollar amounts under this
30 section to eligible educational institutions, for qualified environmental justice
31 programs, that—

32 “(i) submit applications at such time and in such manner as the Secretary may
33 provide, and

34 “(ii) are selected by the Secretary under subparagraph (B).

35 “(B) SELECTION CRITERIA.—The Secretary shall select applications on the basis of
36 the following criteria:

37 “(i) The extent of participation of faculty and students of an institution
38 described in section 371(a) of the Higher Education Act of 1965.

39 “(ii) The extent of the expected effect on the health or economic outcomes of

1 individuals residing in areas within the United States that are low-income areas or
2 areas that experience, or are at risk of experiencing, multiple exposures to
3 qualified environmental stressors.

4 “(iii) The creation or significant expansion of qualified environmental justice
5 programs.

6 “(2) LIMITATIONS.—

7 “(A) IN GENERAL.—The amount of the credit determined under this section for any
8 taxable year to any eligible educational institution for any qualified environmental
9 justice program shall not exceed the excess of—

10 “(i) the credit dollar amount allocated to such institution for such program
11 under this subsection, over

12 “(ii) the credits previously claimed by such institution for such program under
13 this section.

14 “(B) FIVE-YEAR LIMITATION.—No amounts paid or incurred after the 5-year period
15 beginning on the date a credit dollar amount is allocated to an eligible educational
16 institution for a qualified environmental justice program shall be taken into account
17 under subsection (a) with respect to such institution for such program.

18 “(C) ALLOCATION LIMITATION.—The total amount of credits that may be allocated
19 under the program shall not exceed—

20 “(i) \$1,000,000,000 for each of taxable years 2022 through 2031, and

21 “(ii) \$0 for each subsequent year.

22 “(D) CARRYOVER OF UNUSED LIMITATION.—If the annual credit limitation for any
23 calendar year exceeds the aggregate amount designated for such year under this
24 subsection, such limitation for the succeeding calendar year shall be increased by the
25 amount of such excess. No amount may be carried under the preceding sentence to any
26 calendar year after 2036.

27 “(f) Requirements.—

28 “(1) IN GENERAL.—An eligible educational institution that has been allocated credit dollar
29 amounts under this section for a qualified environmental justice project for a taxable year
30 shall—

31 “(A) make publicly available the application submitted to the Secretary under
32 subsection (e) with respect to such project, and

33 “(B) submit an annual report to the Secretary that describes the amounts paid or
34 incurred for, and expected impact of, such project.

35 “(2) FAILURE TO COMPLY.—In the case of an eligible education institution that has failed
36 to comply with the requirements of this subsection, the credit dollar amount allocated to
37 such institution under this section is deemed to be \$0.

38 “(g) Public Disclosure.—The Secretary, upon making an allocation of credit dollar amounts
39 under this section, shall publicly disclose—

1 “(1) the identity of the eligible educational institution receiving the allocation, and
2 “(2) the amount of such allocation.”.

3 (b) Gross-up of Payments in Case of Sequestration.—In the case of any payment made as a
4 refund due to an overpayment as a result of section 36G of the Internal Revenue Code of 1986
5 made after the date of the enactment of this Act to which sequestration applies, the amount of
6 such payment shall be increased to an amount equal to—

- 7 (1) such payment (determined before such sequestration), multiplied by
8 (2) the quotient obtained by dividing 1 by the amount by which 1 exceeds the percentage
9 reduction in such payment pursuant to such sequestration.

10 For purposes of this subsection, the term “sequestration” means any reduction in direct spending
11 ordered in accordance with a sequestration report prepared by the Director of the Office and
12 Management and Budget pursuant to the Balanced Budget and Emergency Deficit Control Act of
13 1985 or the Statutory Pay-As-You-Go Act of 2010.

14 (c) Conforming Amendments.—

15 (1) Section 6211(b)(4)(A), as amended by the preceding provisions of this Act, is
16 amended by inserting “36G,” after “36F,”.

17 (2) Paragraph (2) of section 1324(b) of title 31, United States Code, as amended by the
18 preceding provisions of this Act, is amended by inserting “36G,” after “36F,”.

19 (d) Clerical Amendment.—The table of sections for subpart C of part IV of subchapter A of
20 chapter 1, as amended by the preceding provisions of this Act, is amended by inserting after the
21 item relating to section 36F the following new item:

22 “Sec.36G.Qualified environmental justice programs.”.

23 (e) Effective Date.—The amendments made by this section shall take effect on January 1,
24 2022.

25 PART 7—SUPERFUND

26 SEC. 136701. REINSTATEMENT OF SUPERFUND.

27 (a) Hazardous Substance Superfund Financing Rate.—

28 (1) EXTENSION.—Section 4611(e) is amended to read as follows:

29 “(e) Application of Hazardous Substance Superfund Financing Rate.—The Hazardous
30 Substance Superfund financing rate under this section shall apply after June 30, 2022.”.

31 (2) ADJUSTMENT FOR INFLATION.—

32 (A) Section 4611(c)(2)(A) is amended by striking “9.7 cents” and inserting “16.4
33 cents”.

34 (B) Section 4611(c) is amended by adding at the end the following:

35 “(3) ADJUSTMENT FOR INFLATION.—

36 “(A) IN GENERAL.—In the case of a year beginning after 2022, the amount in

1 paragraph (2)(A) shall be increased by an amount equal to—

2 “(i) such amount, multiplied by

3 “(ii) the cost-of-living adjustment determined under section 1(f)(3) for the
4 calendar year, determined by substituting ‘calendar year 2021’ for ‘calendar year
5 2016’ in subparagraph (A)(ii) thereof.

6 “(B) ROUNDING.—If any amount as adjusted under subparagraph (A) is not a
7 multiple of \$0.01, such amount shall be rounded to the next lowest multiple of \$0.01.”.

8 (b) Authority for Advances.—Section 9507(d)(3)(B) is amended by striking “December 31,
9 1995” and inserting “December 31, 2031”.

10 (c) Effective Date.—The amendments made by this section shall take effect on July 1, 2022.

11 PART 8—INCENTIVES FOR CLEAN ELECTRICITY AND 12 CLEAN TRANSPORTATION

13 SEC. 136801. CLEAN ELECTRICITY PRODUCTION 14 CREDIT.

15 (a) In General.—Subpart D of part IV of subchapter A of chapter 1 is amended by adding at
16 the end the following new section:

17 “SEC. 45BB. CLEAN ELECTRICITY PRODUCTION 18 CREDIT.

19 “(a) Amount of Credit.—

20 “(1) IN GENERAL.—For purposes of section 38, the clean electricity production credit for
21 any taxable year is an amount equal to the product of—

22 “(A) the kilowatt hours of electricity—

23 “(i) produced by the taxpayer at a qualified facility, and

24 “(ii)(I) sold by the taxpayer to an unrelated person during the taxable year, or

25 “(II) in the case of a qualified facility which is equipped with a metering device
26 which is owned and operated by an unrelated person, sold, consumed, or stored by
27 the taxpayer during the taxable year, multiplied by

28 “(B) the applicable amount with respect to such qualified facility.

29 “(2) APPLICABLE AMOUNT.—

30 “(A) BASE AMOUNT.—Subject to subsection (g)(7), in the case of any qualified
31 facility which is not described in clause (i) of subparagraph (B) and does not satisfy the
32 requirements described in clause (ii) of such subparagraph, the applicable amount shall
33 be 0.3 cents.

34 “(B) ALTERNATIVE AMOUNT.—Subject to subsection (g)(7), in the case of any
35 qualified facility—

1 “(i) with a maximum net output of less than 1 megawatt, or

2 “(ii) which—

3 “(I) satisfies the requirements under paragraph (9) of subsection (g), and

4 “(II) with respect to the construction of such facility, satisfies the
5 requirements under paragraph (10) of subsection (g),

6 the applicable amount shall be 1.5 cents.

7 “(b) Qualified Facility.—

8 “(1) IN GENERAL.—

9 “(A) DEFINITION.—Subject to subparagraphs (B), (C), and (D), the term ‘qualified
10 facility’ means a facility owned by the taxpayer—

11 “(i) which is used for the generation of electricity,

12 “(ii) the construction of which begins after December 31, 2026, and

13 “(iii) for which the greenhouse gas emissions rate (as determined under
14 paragraph (2)) is not greater than zero.

15 “(B) 10-YEAR PRODUCTION CREDIT.—For purposes of this section, a facility shall
16 only be treated as a qualified facility during the 10-year period beginning on the date
17 the facility was originally placed in service.

18 “(C) EXPANSION OF FACILITY; INCREMENTAL PRODUCTION.—The term ‘qualified
19 facility’ shall include either of the following in connection with a facility described in
20 subparagraph (A) (without regard to clause (ii) of such subparagraph) the construction
21 of which begins before January 1, 2027, but only to the extent of the increased amount
22 of electricity produced at the facility by reason of the following:

23 “(i) A new unit the construction of which begins after December 31, 2026.

24 “(ii) Any additions of capacity the construction of which begins after December
25 31, 2026.

26 “(D) COORDINATION WITH OTHER CREDITS.—The term ‘qualified facility’ shall not
27 include any facility for which a credit determined under section 45, 45J, 45Q, 48, 48A,
28 or 48F is allowed under section 38 for the taxable year or any prior taxable year.

29 “(2) GREENHOUSE GAS EMISSIONS RATE.—

30 “(A) IN GENERAL.—For purposes of this section, the term ‘greenhouse gas emissions
31 rate’ means the amount of greenhouse gases emitted into the atmosphere by a facility
32 in the production of electricity, expressed as grams of CO₂e per kWh.

33 “(B) FUEL COMBUSTION AND GASIFICATION.—In the case of a facility which
34 produces electricity through combustion or gasification, the greenhouse gas emissions
35 rate for such facility shall be equal to the net rate of greenhouse gases emitted into the
36 atmosphere by such facility (taking into account lifecycle greenhouse gas emissions, as
37 described in section 211(o)(1)(H) of the Clean Air Act (42 U.S.C. 7545(o)(1)(H))) in
38 the production of electricity, expressed as grams of CO₂e per kWh.

1 “(C) ESTABLISHMENT OF EMISSIONS RATES FOR FACILITIES.—

2 “(i) PUBLISHING EMISSIONS RATES.—The Secretary shall annually publish a
3 table that sets forth the greenhouse gas emissions rates for types or categories of
4 facilities, which a taxpayer shall use for purposes of this section.

5 “(ii) PROVISIONAL EMISSIONS RATE.—In the case of any facility for which an
6 emissions rate has not been established by the Secretary, a taxpayer which owns
7 such facility may file a petition with the Secretary for determination of the
8 emissions rate with respect to such facility.

9 “(D) CARBON CAPTURE AND SEQUESTRATION EQUIPMENT.—For purposes of this
10 subsection, the amount of greenhouse gases emitted into the atmosphere by a facility in
11 the production of electricity shall not include any qualified carbon dioxide that is
12 captured by the taxpayer and—

13 “(i) pursuant to any regulations established under paragraph (2) of section
14 45Q(f), disposed of by the taxpayer in secure geological storage, or

15 “(ii) utilized by the taxpayer in a manner described in paragraph (5) of such
16 section.

17 “(c) Inflation Adjustment.—

18 “(1) IN GENERAL.—In the case of a calendar year beginning after 2021, the 0.3 cent
19 amount in paragraph (2)(A) of subsection (a) and the 1.5 cent amount in paragraph (2)(B) of
20 such subsection shall each be adjusted by multiplying such amount by the inflation
21 adjustment factor for the calendar year in which the sale or use of the electricity occurs. If
22 ~~any the 0.3 cent amount as increased under the preceding sentence~~ **this paragraph is not a**
23 **multiple of 0.05 cent, such amount shall be rounded to the nearest multiple of 0.05**
24 **cent. If the 1.5 cent amount as increased under this paragraph** is not a multiple of 0.1
25 cent, such amount shall be rounded to the nearest multiple of 0.1 cent.

26 “(2) ANNUAL COMPUTATION.—The Secretary shall, not later than April 1 of each calendar
27 year, determine and publish in the Federal Register the inflation adjustment factor for such
28 calendar year in accordance with this subsection.

29 “(3) INFLATION ADJUSTMENT FACTOR.—The term ‘inflation adjustment factor’ means,
30 with respect to a calendar year, a fraction the numerator of which is the GDP implicit price
31 deflator for the preceding calendar year and the denominator of which is the GDP implicit
32 price deflator for the calendar year 1992. The term ‘GDP implicit price deflator’ means the
33 most recent revision of the implicit price deflator for the gross domestic product as
34 computed and published by the Department of Commerce before March 15 of the calendar
35 year.

36 “(d) Credit Phase-Out.—

37 “(1) IN GENERAL.—The amount of the clean electricity production credit under subsection
38 (a) for any qualified facility the construction of which begins during a calendar year
39 described in paragraph (2) shall be equal to the product of—

40 “(A) the amount of the credit determined under subsection (a) without regard to this
41 subsection, multiplied by

1 “(B) the phase-out percentage under paragraph (2).

2 “(2) PHASE-OUT PERCENTAGE.—The phase-out percentage under this paragraph is equal
3 to—

4 “(A) for a facility the construction of which begins during the first calendar year
5 following the applicable year, 100 percent,

6 “(B) for a facility the construction of which begins during the second calendar year
7 following the applicable year, 75 percent,

8 “(C) for a facility the construction of which begins during the third calendar year
9 following the applicable year, 50 percent, and

10 “(D) for a facility the construction of which begins during any calendar year
11 subsequent to the calendar year described in subparagraph (C), 0 percent.

12 “(3) APPLICABLE YEAR.—For purposes of this subsection, the term ‘applicable year’
13 means the later of—

14 “(A) the calendar year in which the Secretary determines that the annual greenhouse
15 gas emissions from the production of electricity in the United States are equal to or less
16 than 25 percent of the annual greenhouse gas emissions from the production of
17 electricity in the United States for calendar year 2021, or

18 “(B) 2031.

19 “(e) Definitions.—For purposes of this section:

20 “(1) CO₂e PER KWH.—The term ‘CO₂e per KWh’ means, with respect to any
21 greenhouse gas, the equivalent carbon dioxide (as determined based on global warming
22 potential) per kilowatt hour of electricity produced.

23 “(2) GREENHOUSE GAS.—The term ‘greenhouse gas’ has the same meaning given such
24 term under section 211(o)(1)(G) of the Clean Air Act (42 U.S.C. 7545(o)(1)(G)), as in
25 effect on the date of the enactment of this section.

26 “(3) QUALIFIED CARBON DIOXIDE.—The term ‘qualified carbon dioxide’ means carbon
27 dioxide captured from an industrial source which—

28 “(A) would otherwise be released into the atmosphere as industrial emission of
29 greenhouse gas,

30 “(B) is measured at the source of capture and verified at the point of disposal or
31 utilization, and

32 “(C) is captured and disposed or utilized within the United States (within the
33 meaning of section 638(1)) or a possession of the United States (within the meaning of
34 section 638(2)).

35 “(f) Guidance.—Not later than January 1, 2027, the Secretary shall issue guidance regarding
36 implementation of this section, including calculation of greenhouse gas emission rates for
37 qualified facilities and determination of clean electricity production credits under this section.

38 “(g) Special Rules.—

39 “(1) ONLY PRODUCTION IN THE UNITED STATES TAKEN INTO ACCOUNT.—Consumption or

1 sales shall be taken into account under this section only with respect to electricity the
2 production of which is within—

3 “(A) the United States (within the meaning of section 638(1)), or

4 “(B) a possession of the United States (within the meaning of section 638(2)).

5 “(2) COMBINED HEAT AND POWER SYSTEM PROPERTY.—

6 “(A) IN GENERAL.—For purposes of subsection (a)—

7 “(i) the kilowatt hours of electricity produced by a taxpayer at a qualified
8 facility shall include any production in the form of useful thermal energy by any
9 combined heat and power system property within such facility, and

10 “(ii) the amount of greenhouse gases emitted into the atmosphere by such
11 facility in the production of such useful thermal energy shall be included for
12 purposes of determining the greenhouse gas emissions rate for such facility.

13 “(B) COMBINED HEAT AND POWER SYSTEM PROPERTY.—For purposes of this
14 paragraph, the term ‘combined heat and power system property’ has the same meaning
15 given such term by section 48(c)(3) (without regard to subparagraphs (A)(iv), (B), and
16 (D) thereof).

17 “(C) CONVERSION FROM BTU TO KWH.—

18 “(i) IN GENERAL.—For purposes of subparagraph (A)(i), the amount of kilowatt
19 hours of electricity produced in the form of useful thermal energy shall be equal
20 to the quotient of—

21 “(I) the total useful thermal energy produced by the combined heat and
22 power system property within the qualified facility, divided by

23 “(II) the heat rate for such facility.

24 “(ii) HEAT RATE.—For purposes of this subparagraph, the term ‘heat rate’
25 means the amount of energy used by the qualified facility to generate 1 kilowatt
26 hour of electricity, expressed as British thermal units per net kilowatt hour
27 generated.

28 “(3) PRODUCTION ATTRIBUTABLE TO THE TAXPAYER.—In the case of a qualified facility in
29 which more than 1 person has an ownership interest, except to the extent provided in
30 regulations prescribed by the Secretary, production from the facility shall be allocated
31 among such persons in proportion to their respective ownership interests in the gross sales
32 from such facility.

33 “(4) RELATED PERSONS.—Persons shall be treated as related to each other if such persons
34 would be treated as a single employer under the regulations prescribed under section 52(b).
35 In the case of a corporation which is a member of an affiliated group of corporations filing a
36 consolidated return, such corporation shall be treated as selling electricity to an unrelated
37 person if such electricity is sold to such a person by another member of such group.

38 “(5) PASS-THRU IN THE CASE OF ESTATES AND TRUSTS.—Under regulations prescribed by
39 the Secretary, rules similar to the rules of subsection (d) of section 52 shall apply.

40 “(6) ALLOCATION OF CREDIT TO PATRONS OF AGRICULTURAL COOPERATIVE.—

1 “(A) ELECTION TO ALLOCATE.—

2 “(i) IN GENERAL.—In the case of an eligible cooperative organization, any
3 portion of the credit determined under subsection (a) for the taxable year may, at
4 the election of the organization, be apportioned among patrons of the organization
5 on the basis of the amount of business done by the patrons during the taxable
6 year.

7 “(ii) FORM AND EFFECT OF ELECTION.—An election under clause (i) for any
8 taxable year shall be made on a timely filed return for such year. Such election,
9 once made, shall be irrevocable for such taxable year. Such election shall not take
10 effect unless the organization designates the apportionment as such in a written
11 notice mailed to its patrons during the payment period described in section
12 1382(d).

13 “(B) TREATMENT OF ORGANIZATIONS AND PATRONS.—The amount of the credit
14 apportioned to any patrons under subparagraph (A)—

15 “(i) shall not be included in the amount determined under subsection (a) with
16 respect to the organization for the taxable year, and

17 “(ii) shall be included in the amount determined under subsection (a) for the
18 first taxable year of each patron ending on or after the last day of the payment
19 period (as defined in section 1382(d)) for the taxable year of the organization or,
20 if earlier, for the taxable year of each patron ending on or after the date on which
21 the patron receives notice from the cooperative of the apportionment.

22 “(C) SPECIAL RULES FOR DECREASE IN CREDITS FOR TAXABLE YEAR.—If the amount
23 of the credit of a cooperative organization determined under subsection (a) for a
24 taxable year is less than the amount of such credit shown on the return of the
25 cooperative organization for such year, an amount equal to the excess of—

26 “(i) such reduction, over

27 “(ii) the amount not apportioned to such patrons under subparagraph (A) for the
28 taxable year,

29 shall be treated as an increase in tax imposed by this chapter on the organization. Such
30 increase shall not be treated as tax imposed by this chapter for purposes of determining
31 the amount of any credit under this chapter.

32 “(D) ELIGIBLE COOPERATIVE DEFINED.—For purposes of this section, the term
33 ‘eligible cooperative’ means a cooperative organization described in section 1381(a)
34 which is owned more than 50 percent by agricultural producers or by entities owned by
35 agricultural producers. For this purpose an entity owned by an agricultural producer is
36 one that is more than 50 percent owned by agricultural producers.

37 “(7) INCREASE IN CREDIT IN CERTAIN CASES.—

38 “(A) ENERGY COMMUNITIES.—~~In communities.~~—

39 “(i) ~~In general.~~—~~In~~ the case of any qualified facility which is located in an energy
40 community (as defined in section 45(b)(11)(B)), for purposes of determining the
41 amount of the credit under subsection (a) with respect to any electricity produced by

1 the taxpayer at such facility during the taxable year, the applicable amount under
2 paragraph (2) of such subsection shall be increased by an amount equal to 10 percent
3 of the amount otherwise in effect under such paragraph (without application of
4 subparagraph (B)).

5 ~~“(ii) Energy community.—For purposes of this subparagraph, the term ‘energy-~~
6 ~~community’ means a census tract—~~

7 ~~“(I) in which—~~

8 ~~“(aa) for the calendar year in which construction of the qualified facility began, not~~
9 ~~less than 5 percent of the employment in such tract is within the oil and gas sector,~~

10 ~~“(bb) after December 31, 1999, a coal mine has closed, or~~

11 ~~“(cc) after December 31, 2009, a coal-fired electric generating unit has been retired,~~
12 ~~or~~

13 ~~“(II) which is immediately adjacent to any census tract described in subclause (I).~~

14 ~~“(B) DOMESTIC CONTENT.—Rules similar to the rules of section 45(b)(10) **45(b)(9)**~~
15 ~~shall apply.~~

16 ~~“(8) CREDIT REDUCED FOR TAX-EXEMPT BONDS.—Rules similar to the rules of section~~
17 ~~45(b)(3) shall apply.~~

18 ~~“(9) WAGE REQUIREMENTS.—Rules similar to the rules of section 45(b)(8) **45(b)(7)(A)**~~
19 ~~**and clauses (i) through (iv) of section 45(b)(7)(B)** shall apply.~~

20 ~~“(10) APPRENTICESHIP REQUIREMENTS.—Rules similar to the rules of section 45(b)(9)~~
21 ~~**45(b)(8)** shall apply.~~

22 ~~“(11) DOMESTIC CONTENT REQUIREMENT FOR ELECTIVE PAYMENT.—Rules similar to the~~
23 ~~rules of section 45(b)(11) **45(b)(10)** shall apply.”.~~

24 (b) Elective Payment of Credit.—Section 6417(b), as amended by preceding provisions of this
25 Act, is amended by adding at the end the following new paragraph:

26 ~~“(12) The clean electricity production credit determined under section 45BB(a).”.~~

27 (c) Election.—Section 6417(c)(3), as amended by the preceding provisions of this Act, is
28 amended by adding at the end the following new subparagraph:

29 ~~“(D) CLEAN ELECTRICITY PRODUCTION CREDIT.—In the case of the credit described~~
30 ~~in subsection (b)(10), any election under this subsection shall—~~

31 ~~“(i) apply separately with respect to each qualified facility,~~

32 ~~“(ii) be made for the taxable year in which the facility is placed in service, and~~

33 ~~“(iii) shall apply to such taxable year and all subsequent taxable years with~~
34 ~~respect to such facility.”.~~

35 (d) Conforming Amendments.—

36 (1) Section 38(b) is amended—

37 (A) in paragraph (38), by striking “plus” at the end,

1 (B) in paragraph (39), by striking the period at the end and inserting “, plus”, and
2 (C) by adding at the end the following new paragraph:

3 “(40) the clean electricity production credit determined under section 45BB(a).”.

4 (2) The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended
5 by adding at the end the following new item:

6 “Sec.45BB.Clean electricity production credit.”.

7 (e) Effective Date.—The amendments made by this section shall apply to facilities placed in
8 service after December 31, 2022.

9 **SEC. 136802. CLEAN ELECTRICITY INVESTMENT**
10 **CREDIT.**

11 (a) In General.—Subpart E of part IV of subchapter A of chapter 1 is amended by inserting
12 after section 48E the following new section:

13 **“SEC. 48F. CLEAN ELECTRICITY INVESTMENT CREDIT.**

14 **“(a) Investment Credit for Qualified Property.—**

15 **“(1) IN GENERAL.—**For purposes of section 46, the clean electricity investment credit for
16 any taxable year is an amount equal to the applicable percentage of the qualified investment
17 for such taxable year with respect to—

18 **“(A) any qualified facility, and**

19 **“(B) any grid improvement property.**

20 **“(2) APPLICABLE PERCENTAGE.—**

21 **“(A) QUALIFIED FACILITIES.—**Subject to paragraph (3)—

22 **“(i) BASE RATE.—**In the case of any qualified facility which is not described in
23 subclause (I) of clause (ii) and does not satisfy the requirements described in
24 subclause (II) of such clause, the applicable percentage shall be 6 percent.

25 **“(ii) ALTERNATIVE RATE.—**In the case of any qualified facility—

26 **“(I) with a maximum net output of less than 1 megawatt, or**

27 **“(II) which—**

28 **“(aa) satisfies the requirements of subsection (d)(3), and**

29 **“(bb) with respect to the construction of such facility, satisfies the**
30 **requirements of subsection (d)(4),**

31 **the applicable percentage shall be 30 percent.**

32 **“(B) GRID IMPROVEMENT PROPERTY.—**Subject to paragraph (3)—

33 **“(i) BASE RATE.—**In the case of any grid improvement property which is not
34 described in subclause (I) of clause (ii) and does not satisfy the requirements
35 described in subclause (II) of such clause, the applicable percentage shall be 6

1 percent.

2 “(ii) ALTERNATIVE RATE.—In the case of any grid improvement property—

3 “(I) which is energy storage property with a capacity of less than 1

4 megawatt, or

5 “(II) which—

6 “(aa) satisfies the requirements of subsection (d)(3), and

7 “(bb) with respect to the construction of such property, satisfies rules

8 similar to the rules of section ~~45(b)(9)~~ **45(b)(8)**,

9 the applicable percentage shall be 30 percent.

10 “(3) INCREASE IN CREDIT RATE IN CERTAIN CASES.—

11 “(A) ENERGY COMMUNITIES.—

12 “(i) IN GENERAL.—In the case of any qualified investment with respect to a

13 qualified facility or with respect to grid improvement property which is placed in

14 service within an energy community (**as defined in section 45(b)(11)(B)**), for

15 purposes applying paragraph (2) with respect to such property or investment, the

16 applicable percentage shall be increased by the applicable credit rate increase.

17 “(ii) APPLICABLE CREDIT RATE INCREASE.—For purposes of clause (i), the

18 applicable credit rate increase shall be an amount equal to—

19 “(I) in the case of any qualified investment with respect to a qualified

20 facility described in paragraph (2)(A)(i) or with respect to grid improvement

21 property described in paragraph (2)(B)(i), 2 percentage points, and

22 “(II) in the case of any qualified investment with respect to a qualified

23 facility described in paragraph (2)(A)(ii) or with respect to grid improvement

24 property described in paragraph (2)(B)(ii), 10 percentage points.

25 “(B) DOMESTIC CONTENT.—Rules similar to the rules of section ~~45(a)(11)~~ **48(a)(12)**

26 shall apply.

27 “(b) Qualified Investment With Respect to a Qualified Facility.—

28 “(1) IN GENERAL.—For purposes of subsection (a), the qualified investment with respect

29 to any qualified facility for any taxable year is the sum of—

30 “(A) the basis of any qualified property placed in service by the taxpayer during

31 such taxable year which is part of a qualified facility, plus

32 “(B) the amount of any expenditures which are—

33 “(i) paid or incurred by the taxpayer for qualified interconnection property—

34 “(I) in connection with a qualified facility which has a maximum net

35 output of not greater than 5 megawatts, and

36 “(II) placed in service during the taxable year of the taxpayer, and

37 “(ii) properly chargeable to capital account of the taxpayer.

1 “(2) QUALIFIED PROPERTY.—The term ‘qualified property’ means property—

2 “(A) which is—

3 “(i) tangible personal property, or

4 “(ii) other tangible property (not including a building or its structural
5 components), but only if such property is used as an integral part of the qualified
6 facility,

7 “(B) with respect to which depreciation (or amortization in lieu of depreciation) is
8 allowable, and

9 “(C)(i) the construction, reconstruction, or erection of which is completed by the
10 taxpayer, or

11 “(ii) which is acquired by the taxpayer if the original use of such property
12 commences with the taxpayer.

13 “(3) QUALIFIED FACILITY.—

14 “(A) IN GENERAL.—For purposes of this section, the term ‘qualified facility’ means
15 a facility—

16 “(i) which is used for the generation of electricity,

17 “(ii) the construction of which begins after December 31, 2026, and

18 “(iii) for which the anticipated greenhouse gas emissions rate (as determined
19 under subparagraph (B)(ii)) is not greater than zero.

20 “(B) ADDITIONAL RULES.—

21 “(i) EXPANSION OF FACILITY; INCREMENTAL PRODUCTION.—Rules similar to the
22 rules of section 45BB(b)(1)(C) shall apply for purposes of this paragraph.

23 “(ii) GREENHOUSE GAS EMISSIONS RATE.—Rules similar to the rules of section
24 45BB(b)(2) shall apply for purposes of this paragraph.

25 “(C) EXCLUSION.—The term ‘qualified facility’ shall not include any facility for
26 which—

27 “(i) a renewable electricity production credit determined under section 45,

28 “(ii) an advanced nuclear power facility production credit determined under
29 section 45J,

30 “(iii) a carbon oxide sequestration credit determined under section 45Q,

31 “(iv) a clean electricity production credit determined under section 45BB,

32 “(v) an energy credit determined under section 48,

33 “(vi) a qualifying advanced coal project credit under section 48A, or

34 “(vii) a qualifying electric transmission property credit under section 48D,

35 is allowed under section 38 for the taxable year or any prior taxable year.

36 “(4) QUALIFIED INTERCONNECTION PROPERTY.—For purposes of this paragraph, the term

1 'qualified interconnection property' has the meaning given such term in section ~~48(a)(7)(B)~~
2 **48(a)(8)(B)**.

3 "(5) COORDINATION WITH REHABILITATION CREDIT.—The qualified investment with
4 respect to any qualified facility for any taxable year shall not include that portion of the
5 basis of any property which is attributable to qualified rehabilitation expenditures (as
6 defined in section 47(c)(2)).

7 "(6) DEFINITIONS.—For purposes of this subsection, the terms 'CO₂e per KWh' and
8 'greenhouse gas emissions rate' have the same meaning given such terms under section
9 45BB(b).

10 "(c) Qualified Investment With Respect to Grid Improvement Property.—

11 "(1) IN GENERAL.—

12 "(A) QUALIFIED INVESTMENT.—For purposes of subsection (a), the qualified
13 investment with respect to grid improvement property for any taxable year is the basis
14 of any grid improvement property placed in service by the taxpayer during such
15 taxable year.

16 "(B) GRID IMPROVEMENT PROPERTY.—For purposes of this section, the term 'grid
17 improvement property' means any energy storage property.

18 "(2) ENERGY STORAGE PROPERTY.—For purposes of this section, the term 'energy storage
19 property' has the meaning given such term in section 48(c)(6).

20 "(d) Special Rules.—

21 "(1) CERTAIN PROGRESS EXPENDITURE RULES MADE APPLICABLE.—Rules similar to the
22 rules of subsections (c)(4) and (d) of section 46 (as in effect on the day before the date of
23 the enactment of the Revenue Reconciliation Act of 1990) shall apply for purposes of
24 subsection (a).

25 "(2) SPECIAL RULE FOR PROPERTY FINANCED BY SUBSIDIZED ENERGY FINANCING OR
26 PRIVATE ACTIVITY BONDS.—Rules similar to the rules of section 45(b)(3) shall apply.

27 "(3) PREVAILING WAGE REQUIREMENTS.—Rules similar to the rules of section ~~48(a)(9)~~
28 **48(a)(10)** shall apply.

29 "(4) APPRENTICESHIP REQUIREMENTS.—Rules similar to the rules of section ~~45(b)(9)~~
30 **45(b)(8)** shall apply.

31 "(5) DOMESTIC CONTENT REQUIREMENT FOR ELECTIVE PAYMENT.—Rules similar to the
32 rules of section ~~45(b)(11)~~ **45(b)(10)** shall apply.

33 "(e) Credit Phase-Out.—

34 "(1) IN GENERAL.—The amount of the clean electricity investment credit under
35 subsection (a) for any qualified investment with respect to any qualified facility or grid
36 improvement property the construction of which begins during a calendar year described in
37 paragraph (2) shall be equal to the product of—

38 "(A) the amount of the credit determined under subsection (a) without regard to this
39 subsection, multiplied by

1 “(B) the phase-out percentage under paragraph (2).

2 “(2) PHASE-OUT PERCENTAGE.—The phase-out percentage under this paragraph is equal
3 to—

4 “(A) for any qualified investment with respect to any qualified facility or grid
5 improvement property the construction of which begins during the first calendar year
6 following the applicable year, 100 percent,

7 “(B) for any qualified investment with respect to any qualified facility or grid
8 improvement property the construction of which begins during the second calendar
9 year following the applicable year, 75 percent,

10 “(C) for any qualified investment with respect to any qualified facility or grid
11 improvement property the construction of which begins during the third calendar year
12 following the applicable year, 50 percent, and

13 “(D) for any qualified investment with respect to any qualified facility or grid
14 improvement property the construction of which begins during any calendar year
15 subsequent to the calendar year described in subparagraph (C), 0 percent.

16 “(3) APPLICABLE YEAR.—For purposes of this subsection, the term ‘applicable year’ has
17 the same meaning given such term in section 45BB(d)(3).

18 “(f) Greenhouse Gas.—In this section, the term ‘greenhouse gas’ has the same meaning given
19 such term under section 45BB(e)(2).

20 “(g) Recapture of Credit.—For purposes of section 50, if the Secretary determines that the
21 greenhouse gas emissions rate for a qualified facility is greater than 10 grams of CO₂e per KWh,
22 any property for which a credit was allowed under this section with respect to such facility shall
23 cease to be investment credit property in the taxable year in which the determination is made.

24 “(h) Guidance.—Not later than January 1, 2027, the Secretary shall issue guidance regarding
25 implementation of this section.”.

26 (b) Elective Payment of Credit.—Section 6417(b), as amended by preceding provisions of this
27 Act, is amended by adding at the end the following new paragraph:

28 “(13) The clean electricity investment credit determined under section 48F.”.

29 ~~(c) Public Utility Property.—Section 50(d) is amended by adding at the end the following:—~~
30 ~~“Paragraphs (1)(B) and (2)(B) of the section 46(e) referred to in paragraph (1) of this subsection~~
31 ~~shall not apply to any qualified investment described in section 48F of a real estate investment~~
32 ~~trust.”~~

33 ~~(d) Conforming Amendments.—~~

34 ~~(1) Section 46 is amended—~~

35 ~~(A) by striking “and” at the end of paragraph (5),~~

36 ~~(B) by striking the period at the end of paragraph (6) and inserting “, and”, and~~

37 ~~(C) by adding at the end the following new paragraph:~~

38 ~~“(7) the clean electricity investment credit.”.~~

1 (2) Section 49(a)(1)(C) is amended—

2 (A) by striking “and” at the end of clause (iv),

3 (B) by striking the period at the end of clause (v) and inserting a comma, and

4 (C) by adding at the end the following new clauses:

5 “(vi) the basis of any qualified property which is part of a qualified facility
6 under section 48F, and

7 “(vii) the basis of any energy storage property under section 48F.”

8 (3) Section 50(a)(2)(E) is amended by striking “or 48E(c)(1)” and inserting “48E(c)(1),
9 or 48F(e)”.

10 (4) Section 50(c)(3) is amended by inserting “or clean electricity investment credit” after
11 “In the case of any energy credit”.

12 (5) The table of sections for subpart E of part IV of subchapter A of chapter 1 is amended
13 by inserting after the item relating to section 48E the following new item:

14 “48F. Clean electricity investment credit.”

15 ~~(e)~~(d) Effective Date.—The amendments made by this section shall apply to property placed
16 in service after December 31, 2026, and, for any property the construction of which begins prior
17 to January 1, 2027, only to the extent of the basis thereof attributable to the construction,
18 reconstruction, or erection after December 31, 2026.

19 **SEC. 136803. INCREASE IN CLEAN ELECTRICITY**
20 **INVESTMENT CREDIT FOR FACILITIES PLACED IN**
21 **SERVICE IN CONNECTION WITH LOW-INCOME**
22 **COMMUNITIES.**

23 (a) In General.—Section 48F, as added by this Act, is amended by adding at the end the
24 following new subsection:

25 “(i) Special Rules for Certain Facilities Placed in Service in Connection With Low-income
26 Communities.—

27 “(1) IN GENERAL.—In the case of any qualified facility with respect to which the
28 Secretary makes an allocation of environmental justice capacity limitation under paragraph
29 (4)—

30 “(A) the applicable percentage otherwise determined under subsection (a)(2) with
31 respect to any eligible property which is part of such facility shall be increased by—

32 “(i) in the case of a facility described in subclause (I) of paragraph (2)(A)(iii)
33 and not described in subclause (II) of such paragraph, 10 percentage points, and

34 “(ii) in the case of a facility described in subclause (II) of paragraph (2)(A)(iii),
35 20 percentage points, and

36 “(B) the increase in the credit determined under subsection (a) by reason of this
37 subsection for any taxable year with respect to all property which is part of such

1 facility shall not exceed the amount which bears the same ratio to the amount of such
2 increase (determined without regard to this subparagraph) as—

3 “(i) the environmental justice capacity limitation allocated to such facility,
4 bears to

5 “(ii) the total megawatt nameplate capacity of such facility, as measured in
6 direct current.

7 “(2) QUALIFIED FACILITY.—For purposes of this subsection—

8 “(A) IN GENERAL.—The term ‘qualified facility’ means any facility—

9 “(i) which is described in subsection (b)(3)(A) and not described in section
10 45BB(b)(2)(B),

11 “(ii) which has a maximum net output of less than 5 megawatts, and

12 “(iii) which—

13 “(I) is located in a low-income community (as defined in section 45D(e))
14 or on Indian land (as defined in section 2601(2) of the Energy Policy Act of
15 1992 (25 U.S.C. 3501(2))), or

16 “(II) is part of a qualified low-income residential building project or a
17 qualified low-income economic benefit project.

18 “(B) QUALIFIED LOW-INCOME RESIDENTIAL BUILDING PROJECT.—A facility shall be
19 treated as part of a qualified low-income residential building project if—

20 “(i) such facility is installed on a residential rental building which participates
21 in a covered housing program (as defined in section 41411(a) of the Violence
22 Against Women Act of 1994 (34 U.S.C. 12491(a)(3)), a Housing Development
23 Fund Corporation cooperative under Article XI of the New York State Private
24 Housing Finance Law, a housing assistance program administered by the
25 Department of Agriculture under title V of the Housing Act of 1949, a housing
26 program administered by a tribally designated housing entity (as defined in
27 section 4(22) of the Native American Housing Assistance and Self-Determination
28 Act of 1996 (25 U.S.C. 4103(22))) or such other affordable housing programs as
29 the Secretary may provide, and

30 “(ii) the financial benefits of the electricity produced by such facility are
31 allocated equitably among the occupants of the dwelling units of such building.

32 “(C) QUALIFIED LOW-INCOME ECONOMIC BENEFIT PROJECT.—A facility shall be
33 treated as part of a qualified low-income economic benefit project if at least 50 percent
34 of the financial benefits of the electricity produced by such facility are provided to
35 households with income of—

36 “(i) less than 200 percent of the poverty line applicable to a family of the size
37 involved, or

38 “(ii) less than 80 percent of area median gross income (as determined under
39 section 142(d)(2)(B)).

40 “(D) FINANCIAL BENEFIT.—For purposes of subparagraphs (B) and (C), electricity

1 acquired at a below-market rate shall not fail to be taken into account as a financial
2 benefit.

3 “(3) ELIGIBLE PROPERTY.—For purposes of this section, the term ‘eligible property’
4 means a qualified investment with respect to any qualified facility which is described in
5 subsection (b).

6 “(4) ALLOCATIONS.—

7 “(A) IN GENERAL.—Not later than January 1, 2027, the Secretary shall establish a
8 program to allocate amounts of environmental justice capacity limitation to qualified
9 facilities.

10 “(B) LIMITATION.—The amount of environmental justice capacity limitation
11 allocated by the Secretary under subparagraph (A) during any calendar year shall not
12 exceed the annual capacity limitation with respect to such year.

13 “(C) ANNUAL CAPACITY LIMITATION.—For purposes of this paragraph, the term
14 ‘annual capacity limitation’ means 1.8 gigawatts of direct current capacity for each of
15 calendar years 2027 through 2031, and zero thereafter.

16 “(D) CARRYOVER OF UNUSED LIMITATION.—

17 “(i) IN GENERAL.—If the annual capacity limitation for any calendar year
18 exceeds the aggregate amount allocated for such year under this paragraph, such
19 limitation for the succeeding calendar year shall be increased by the amount of
20 such excess. No amount may be carried under the preceding sentence to any
21 calendar year after 2033.

22 “(ii) CARRYOVER FROM SECTION 48 FOR CALENDAR YEAR 2027.—If the annual
23 capacity limitation for calendar year 2026 under section 48(e)(4)(D) exceeds the
24 aggregate amount allocated for such year under section 48(e)(4)(D), such excess
25 amount may be carried over and applied to the annual capacity limitation under
26 this subsection for calendar year 2027. Such limitation shall be increased by the
27 amount of such excess.

28 “(E) PLACED IN SERVICE DEADLINE.—

29 “(i) IN GENERAL.—Paragraph (1) shall not apply with respect to any property
30 which is placed in service after the date that is 4 years after the date of the
31 allocation with respect to the facility of which such property is a part.

32 “(ii) APPLICATION OF CARRYOVER.—Any amount of environmental justice
33 capacity limitation which expires under clause (i) during any calendar year shall
34 be taken into account as an excess described in subparagraph (D) (or as an
35 increase in such excess) for such calendar year, subject to the limitation imposed
36 by the last sentence of such subparagraph.

37 “(F) SELECTION CRITERIA.—In determining to which qualified facilities to allocate
38 environmental justice capacity limitation under this paragraph, the Secretary shall take
39 into consideration which facilities will result in—

40 “(i) the greatest health and economic benefits, including the ability to withstand
41 extreme weather events, for individuals described in section 45D(e)(2),

1 “(ii) the greatest employment and wages for such individuals, and

2 “(iii) the greatest engagement with, outreach to, or ownership by, such
3 individuals, including through partnerships with local governments,
4 **community-based organizations, an Indian tribal governments government** (as
5 defined in section 139E), ~~and community-based organizations. 48(e)(4)(F)(ii)), or~~
6 **any Alaska Native Corporation (as defined in section 3 of the Alaska Native**
7 **Claims Settlement Act (43 U.S.C. 1602(m)).**

8 “(G) DISCLOSURE OF ALLOCATIONS.—The Secretary shall, upon making an
9 allocation of environmental justice capacity limitation under this paragraph, publicly
10 disclose the identity of the applicant, the amount of the environmental justice capacity
11 limitation allocated to such applicant, and the location of the facility for which such
12 allocation is made.

13 “(5) RECAPTURE.—The Secretary shall, by regulations or other guidance, provide for
14 recapturing the benefit of any increase in the credit allowed under subsection (a) by reason
15 of this subsection with respect to any property which ceases to be property eligible for such
16 increase (but which does not cease to be investment credit property within the meaning of
17 section 50(a)). The period and percentage of such recapture shall be determined under rules
18 similar to the rules of section 50(a). To the extent provided by the Secretary, such recapture
19 may not apply with respect to any property if, within 12 months after the date the taxpayer
20 becomes aware (or reasonably should have become aware) of such property ceasing to be
21 property eligible for such increase, the eligibility of such property for such increase is
22 restored. The preceding sentence shall not apply more than once with respect to any
23 facility.”.

24 (b) Effective Date.—The amendments made by this section shall take effect on January 1,
25 2027.

26 SEC. 136804. COST RECOVERY FOR QUALIFIED 27 FACILITIES, QUALIFIED PROPERTY, AND GRID 28 IMPROVEMENT PROPERTY.

29 (a) In General.—Section 168(e)(3)(B) is amended—

30 (1) in clause (vi)(III), by striking “and” at the end,

31 (2) in clause (vii), by striking the period at the end and inserting “, and”, and

32 (3) by inserting after clause (vii) the following:

33 “(viii) any qualified facility (as defined in section 45BB(b)(1)(A)), any
34 qualified property (as defined in subsection (b)(2) of section 48F) which is a
35 qualified investment (as defined in subsection (b)(1) of such section), or any grid
36 improvement property (as defined in subsection (c)(1)(B) of such section).”.

37 (b) Effective Date.—The amendments made by this section shall apply to facilities and
38 property placed in service after December 31, 2026.

39 SEC. 136805. CLEAN FUEL PRODUCTION CREDIT.

1 (a) In General.—Subpart D of part IV of subchapter A of chapter 1 is amended by adding at
2 the end the following new section:

3 **“SEC. 45CC. CLEAN FUEL PRODUCTION CREDIT.**

4 “(a) Amount of Credit.—

5 “(1) IN GENERAL.—For purposes of section 38, the clean fuel production credit for any
6 taxable year is an amount equal to the product of—

7 “(A) the applicable amount per gallon (or gallon equivalent) with respect to any
8 transportation fuel which is—

9 “(i) produced by the taxpayer at a qualified facility, and

10 “(ii) sold by the taxpayer in a manner described in paragraph (4) during the
11 taxable year, and

12 “(B) the emissions factor for such fuel (as determined under subsection (b)).

13 “(2) APPLICABLE AMOUNT.—

14 “(A) BASE AMOUNT.—In the case of any transportation fuel produced at a qualified
15 facility which does not satisfy the requirements described in subparagraph (B), the
16 applicable amount shall be 20 cents.

17 “(B) ALTERNATIVE AMOUNT.—In the case of any transportation fuel produced at a
18 qualified facility which satisfies the requirements under paragraphs (6) and (7) of
19 subsection (g), the applicable amount shall be \$1.00.

20 “(3) SPECIAL RATE FOR SUSTAINABLE AVIATION FUEL.—

21 “(A) IN GENERAL.—In the case of a transportation fuel which is sustainable aviation
22 fuel, paragraph (2) shall be applied—

23 “(i) in the case of a transportation fuel produced at a qualified facility described
24 in paragraph (2)(A), by substituting ‘35 cents’ for ‘20 cents’, and

25 “(ii) in the case of a transportation fuel produced at a qualified facility
26 described in paragraph (2)(B), by substituting ‘\$1.75’ for ‘\$1.00’.

27 “(B) SUSTAINABLE AVIATION FUEL.—For purposes of this subparagraph (A), the
28 term ‘sustainable aviation fuel’ means liquid fuel which is sold for use in an aircraft
29 and which—

30 “(i) meets the requirements of—

31 “(I) ASTM International Standard D7566, or

32 “(II) the Fischer Tropsch provisions of ASTM International Standard
33 D1655, Annex A1, and

34 “(ii) is not derived from palm fatty acid distillates or petroleum.

35 “(4) SALE.—For purposes of paragraph (1), the transportation fuel is sold in a manner
36 described in this paragraph if such fuel is sold by the taxpayer to an unrelated person—

37 “(A) for use by such person in the production of a fuel mixture,

1 “(B) for use by such person in a trade or business, or
2 “(C) who sells such fuel at retail to another person and places such fuel in the fuel
3 tank of such other person.

4 “(5) ROUNDING.—If any amount determined under paragraph (1) is not a multiple of 0.1
5 cent, such amount shall be rounded to the nearest multiple of 0.1 cent.

6 “(b) Emissions Factors.—

7 “(1) EMISSIONS FACTOR.—

8 “(A) CALCULATION.—

9 “(i) IN GENERAL.—The emissions factor of a transportation fuel shall be an
10 amount equal to the quotient of—

11 “(I) an amount equal to—

12 “(aa) ~~75~~ 50 kilograms of CO₂e per mmBTU, minus

13 “(bb) the emissions rate for such fuel, divided by

14 “(II) ~~75~~ 50 kilograms of CO₂e per mmBTU.

15 “(B) ESTABLISHMENT OF EMISSIONS RATE.—

16 “(i) IN GENERAL.—Subject to clauses (ii) and (iii), the Secretary shall annually
17 publish a table which sets forth the emissions rate for similar types and categories
18 of transportation fuels based on the amount of lifecycle greenhouse gas emissions
19 (as described in section 211(o)(1)(H) of the Clean Air Act (42 U.S.C.
20 7545(o)(1)(H)), as in effect on the date of the enactment of this section) for such
21 fuels, expressed as kilograms of CO₂e per mmBTU, which a taxpayer shall use
22 for purposes of this section.

23 “(ii) NON-AVIATION FUEL.—In the case of any transportation fuel which is not a
24 sustainable aviation fuel, the lifecycle greenhouse gas emissions of such fuel shall
25 be based on the most recent determinations under the Greenhouse gases,
26 Regulated Emissions, and Energy use in Transportation model developed by
27 Argonne National Laboratory, or a successor model (as determined by the
28 Secretary).

29 “(iii) AVIATION FUEL.—In the case of any transportation fuel which is a
30 sustainable aviation fuel, the lifecycle greenhouse gas emissions of such fuel shall
31 be determined in accordance with—

32 “(I) the most recent Carbon Offsetting and Reduction Scheme for
33 International Aviation which has been adopted by the International Civil
34 Aviation Organization with the agreement of the United States, or

35 “(II) any similar methodology which satisfies the criteria under section
36 211(o)(1)(H) of the Clean Air Act (42 U.S.C. 7545(o)(1)(H)).

37 “(C) ROUNDING OF EMISSIONS RATE.—The Secretary may round the emissions rates
38 under subparagraph (B) to the nearest multiple of 5 kilograms of CO₂e per mmBTU,
39 except that, in the case of an emissions rate that is less than 2.5 kilograms of CO₂e per

1 mmBTU, the Secretary may round such rate to zero.

2 “(D) PROVISIONAL EMISSIONS RATE.—In the case of any transportation fuel for
3 which an emissions rate has not been established under subparagraph (B), a taxpayer
4 producing such fuel may file a petition with the Secretary for determination of the
5 emissions rate with respect to such fuel.

6 “(2) ROUNDING.—If any amount determined under paragraph (1)(A) is not a multiple of
7 0.1, such amount shall be rounded to the nearest multiple of 0.1.

8 “(c) Inflation Adjustment.—

9 “(1) IN GENERAL.—In the case of calendar years beginning after 2026, the 20 cent amount
10 in subsection (a)(2)(A), the \$1.00 amount in subsection (a)(2)(B), the 35 cent amount in
11 subsection (a)(3)(A)(i), and the \$1.75 amount in subsection (a)(3)(A)(ii) shall each be
12 adjusted by multiplying such amount by the inflation adjustment factor for the calendar year
13 in which the sale of the transportation fuel occurs. If any amount as increased under the
14 preceding sentence is not a multiple of 1 cent, such amount shall be rounded to the nearest
15 multiple of 1 cent.

16 “(2) INFLATION ADJUSTMENT FACTOR.—For purposes of paragraph (1), the inflation
17 adjustment factor shall be the inflation adjustment factor determined and published by the
18 Secretary pursuant to section 45BB(c), determined by substituting ‘calendar year 2021’ for
19 ‘calendar year 1992’ in paragraph (3) thereof.

20 “(d) Credit Phase-Out.—

21 “(1) IN GENERAL.—The amount of the clean fuel production credit under subsection (a)
22 for any transportation fuel sold during a taxable year described in paragraph (2) shall be
23 equal to the product of—

24 “(A) the amount of the credit determined under subsection (a) without regard to this
25 subsection, multiplied by

26 “(B) the phase-out percentage under paragraph (2).

27 “(2) PHASE-OUT PERCENTAGE.—The phase-out percentage under this paragraph is equal
28 to—

29 “(A) for any taxable year beginning in the first calendar year following the
30 applicable year, 100 percent,

31 “(B) for any taxable year beginning in the second calendar year following the
32 applicable year, 75 percent,

33 “(C) for any taxable year beginning in the third calendar year following the
34 applicable year, 50 percent, and

35 “(D) for any taxable year beginning in any calendar year subsequent to the calendar
36 year described in subparagraph (C), 0 percent.

37 “(3) APPLICABLE YEAR.—For purposes of this subsection, the term ‘applicable year’
38 means the later of—

39 “(A) the calendar year in which the Secretary determines that the greenhouse gas
40 emissions from the transportation of persons and goods annually in the United States

1 are equal to or less than 25 percent of the greenhouse gas emissions from the
2 transportation of persons and goods in the United States during calendar year 2021, or

3 “(B) 2031.

4 “(e) Definitions.—In this section:

5 “(1) MMBTU.—The term ‘mmBTU’ means 1,000,000 British thermal units.

6 “(2) CO₂E.—The term ‘CO₂e’ means, with respect to any greenhouse gas, the equivalent
7 carbon dioxide (as determined based on relative global warming potential).

8 “(3) GREENHOUSE GAS.—The term ‘greenhouse gas’ has the same meaning given that
9 term under section 211(o)(1)(G) of the Clean Air Act (42 U.S.C. 7545(o)(1)(G)), as in
10 effect on the date of the enactment of this section.

11 “(4) QUALIFIED FACILITY.—The term ‘qualified facility’—

12 “(A) means a facility used for the production of transportation fuels, and

13 “(B) does not include any facility for which one of the following credits is allowed
14 under section 38 for the taxable year:

15 “(i) The credit for production of clean hydrogen under section 45X.

16 “(ii) The credit for clean hydrogen production facilities under section ~~48(a)(15)~~
17 **48(a)(16)**.

18 “(iii) The credit for carbon oxide sequestration under section 45Q.

19 “(5) TRANSPORTATION FUEL.—The term ‘transportation fuel’ means a fuel ~~(with the~~
20 ~~exception of hydrogen)~~ which—

21 “(A) is suitable for use as a fuel in a highway vehicle or aircraft, ~~and~~

22
23 “(B) has an emissions rate which is not greater than—

24 “(i) in the case of a fuel which is not a sustainable aviation fuel—

25 “(I) for any such fuel sold during calendar years 2027 through 2030, 50
26 kilograms of CO₂e per mmBTU, and

27 “(II) for any such fuel sold during any calendar year beginning after
28 December 31, 2030, 25 kilograms of CO₂e per mmBTU, or

29 “(ii) in the case of a fuel which is a sustainable aviation fuel—

30 “(I) for any such fuel sold during any period before January 1, 2031, 35
31 kilograms of CO₂e per mmBTU, and

32 “(II) for any such fuel sold during any period after December 31, 2030, 25
33 kilograms of CO₂e per mmBTU-

34 ,

35 “(C) is not hydrogen fuel, and

36 “(D) in the case of fuel which is not aviation fuel, is not derived from

1 **coprocessing biomass with a feedstock which is not biomass. For purposes of this**
2 **paragraph, the term ‘biomass’ has the meaning given such term in section**
3 **45K(c)(3).**

4 “(f) Guidance.—Not later than January 1, 2027, the Secretary shall issue guidance regarding
5 implementation of this section, including calculation of emissions factors for transportation fuel,
6 the table described in subsection (b)(1)(B)(i), and the determination of clean fuel production
7 credits under this section.

8 “(g) Special Rules.—

9 “(1) ONLY REGISTERED PRODUCTION IN THE UNITED STATES TAKEN INTO ACCOUNT.—

10 “(A) IN GENERAL.—No clean fuel production credit shall be determined under
11 subsection (a) with respect to any transportation fuel unless—

12 “(i) the taxpayer is registered as a producer of clean fuel under section 4101 at
13 the time of production, and

14 “(ii) such fuel is produced in the United States.

15 “(B) UNITED STATES.—For purposes of this paragraph, the term ‘United States’
16 includes any possession of the United States.

17 “(2) PRODUCTION ATTRIBUTABLE TO THE TAXPAYER.—In the case of a facility in which
18 more than 1 person has an ownership interest, except to the extent provided in regulations
19 prescribed by the Secretary, production from the facility shall be allocated among such
20 persons in proportion to their respective ownership interests in the gross sales from such
21 facility.

22 “(3) RELATED PERSONS.—Persons shall be treated as related to each other if such persons
23 would be treated as a single employer under the regulations prescribed under section 52(b).
24 In the case of a corporation which is a member of an affiliated group of corporations filing a
25 consolidated return, such corporation shall be treated as selling fuel to an unrelated person if
26 such fuel is sold to such a person by another member of such group.

27 “(4) PASS-THRU IN THE CASE OF ESTATES AND TRUSTS.—Under regulations prescribed by
28 the Secretary, rules similar to the rules of subsection (d) of section 52 shall apply.

29 “(5) ALLOCATION OF CREDIT TO PATRONS OF AGRICULTURAL COOPERATIVE.—

30 “(A) ELECTION TO ALLOCATE.—

31 “(i) IN GENERAL.—In the case of an eligible cooperative organization, any
32 portion of the credit determined under subsection (a) for the taxable year may, at
33 the election of the organization, be apportioned among patrons of the organization
34 on the basis of the amount of business done by the patrons during the taxable
35 year.

36 “(ii) FORM AND EFFECT OF ELECTION.—An election under clause (i) for any
37 taxable year shall be made on a timely filed return for such year. Such election,
38 once made, shall be irrevocable for such taxable year. Such election shall not take
39 effect unless the organization designates the apportionment as such in a written
40 notice mailed to its patrons during the payment period described in section

1 1382(d).

2 “(B) TREATMENT OF ORGANIZATIONS AND PATRONS.—The amount of the credit
3 apportioned to any patrons under subparagraph (A)—

4 “(i) shall not be included in the amount determined under subsection (a) with
5 respect to the organization for the taxable year, and

6 “(ii) shall be included in the amount determined under subsection (a) for the
7 first taxable year of each patron ending on or after the last day of the payment
8 period (as defined in section 1382(d)) for the taxable year of the organization or,
9 if earlier, for the taxable year of each patron ending on or after the date on which
10 the patron receives notice from the cooperative of the apportionment.

11 “(C) SPECIAL RULES FOR DECREASE IN CREDITS FOR TAXABLE YEAR.—If the amount
12 of the credit of a cooperative organization determined under subsection (a) for a
13 taxable year is less than the amount of such credit shown on the return of the
14 cooperative organization for such year, an amount equal to the excess of—

15 “(i) such reduction, over

16 “(ii) the amount not apportioned to such patrons under subparagraph (A) for the
17 taxable year,

18 shall be treated as an increase in tax imposed by this chapter on the organization. Such
19 increase shall not be treated as tax imposed by this chapter for purposes of determining
20 the amount of any credit under this chapter.

21 “(D) ELIGIBLE COOPERATIVE DEFINED.—For purposes of this section the term
22 ‘eligible cooperative’ means a cooperative organization described in section 1381(a)
23 which is owned more than 50 percent by agricultural producers or by entities owned by
24 agricultural producers. For this purpose an entity owned by an agricultural producer is
25 one that is more than 50 percent owned by agricultural producers.

26 “(6) PREVAILING WAGE REQUIREMENTS.—

27 “(A) IN GENERAL.—Subject to subparagraph (B), rules similar to the rules of section
28 ~~45(b)(8)~~ **45(b)(7)(A)** and **clauses (i) through (iv) of section 45(b)(7)(B)** shall apply.

29 “(B) SPECIAL RULE FOR FACILITIES PLACED IN SERVICE BEFORE JANUARY 1, 2027.—In
30 the case of any qualified facility placed in service before January 1, 2027—

31 “(i) the rules of clause (i) of section ~~45(b)(8)~~ **45(b)(7)(A)** shall not apply, and

32 “(ii) clause (ii) of such section shall be applied by substituting ‘for any period
33 of the taxable year beginning after December 31, 2026 for which the credit is
34 claimed under this section with respect to production of transportation fuel, the
35 alteration or repair of such facility’ for ‘for the period of the taxable year which is
36 within the 10-year period beginning on the date the facility was originally placed
37 in service, the alteration or repair of such facility’.

38 “(7) APPRENTICESHIP REQUIREMENTS.—Rules similar to the rules of section ~~45(b)(9)~~
39 **45(b)(8)** shall apply.”

40 (b) Elective Payment of Credit.—Section 6417(b), as amended by preceding provisions of this

1 Act, is amended by adding at the end the following new paragraph:

2 “(14) The clean fuel production credit determined under section 45CC(a).”.

3 (c) Conforming Amendments.—

4 (1) Section 38(b), as amended by section 101, is amended—

5 (A) in paragraph (39), by striking “plus” at the end,

6 (B) in paragraph (40), by striking the period at the end and inserting “, plus”, and

7 (C) by adding at the end the following new paragraph:

8 “(41) the clean fuel production credit determined under section 45CC(a).”.

9 (2) The table of sections for subpart D of part IV of subchapter A of chapter 1, as
10 amended by section 101, is amended by adding at the end the following new item:

11 “Sec.45CC.Clean fuel production credit.”.

12 (3) Section 4101(a)(1) is amended by inserting “every person producing a fuel eligible
13 for the clean fuel production credit (pursuant to section 45CC),” after “section
14 6426(b)(4)(A)),”.

15 (d) Effective Date.—The amendments made by this section shall apply to transportation fuel
16 produced after December 31, 2026.

17 PART 9—APPROPRIATIONS

18 SEC. 136901. APPROPRIATIONS.

19 Immediately upon the enactment of this Act, in addition to amounts otherwise available, there
20 are appropriated for fiscal year 2022, out of any money in the Treasury not otherwise
21 appropriated, ~~\$3,831,000,000~~ **\$4,073,433,000** to remain available until September 30, 2031, for
22 necessary expenses for the Internal Revenue Service to carry out this subtitle (and the
23 amendments made by this subtitle), which shall supplement and not supplant any other
24 appropriations that may be available for this purpose.

25 Subtitle ~~E~~—~~Medicaid~~

26 ~~PART 1—EXPANDING ACCESS TO MEDICAID HOME~~ 27 ~~AND COMMUNITY BASED SERVICES~~

28 ~~SEC. 30711. HCBS IMPROVEMENT PLANNING GRANTS.~~

29 ~~(a) Funding.—~~

30 ~~(1) In general.— In addition to amounts otherwise available,~~
31 ~~there is appropriated to the Secretary for fiscal year 2022, out of~~
32 ~~any money in the Treasury not otherwise appropriated,~~
33 ~~\$130,000,000, to remain available until expended, for carrying~~

1 ~~out this section.~~

2 ~~(2) Technical assistance and guidance.— The Secretary shall~~
3 ~~reserve \$5,000,000 of the amount appropriated under paragraph~~
4 ~~(1) for purposes of issuing guidance and providing technical~~
5 ~~assistance to States intending to apply for, or which are awarded,~~
6 ~~a planning grant under this section, and for other administrative~~
7 ~~expenses related to awarding planning grants under this section.~~

8 ~~(b) Award and Use of Grants.—~~

9 ~~(1) Deadline for award of grants.— From the amount~~
10 ~~appropriated under subsection (a)(1), the Secretary, not later~~
11 ~~than 12 months after the date of enactment of this Act, shall~~
12 ~~solicit State requests for HCBS improvement planning grants~~
13 ~~and award such grants to all States that meet such requirements~~
14 ~~as determined by the Secretary.~~

15 ~~(2) Use of funds.— Subject to paragraph (3), a State awarded a~~
16 ~~planning grant under this section shall use the grant to carry out~~
17 ~~planning activities for purposes of developing and submitting to~~
18 ~~the Secretary an HCBS improvement plan for the State that~~
19 ~~meets the requirements of subsections (c) and (d) in order to~~
20 ~~expand access to home and community based services and~~
21 ~~strengthen the direct care workforce that provides such services.~~
22 ~~A State may use planning grant funds to support activities~~
23 ~~related to the implementation of the HCBS improvement plan~~
24 ~~for the State, collect and report information described in~~
25 ~~subsection (c), identify areas for improvement to the service-~~
26 ~~delivery systems for home and community based services, carry-~~
27 ~~out activities related to evaluating payment rates for home and~~
28 ~~community based services and identifying improvements to~~
29 ~~update the rate setting process, enhance caregiver supports,~~
30 ~~promote community integration and compliance with the home-~~

1 ~~and community based settings rule published on January 16,~~
2 ~~2014, or any successor regulation, make infrastructure~~
3 ~~investments (such as case management or other information~~
4 ~~technology systems), and for related purposes as the Secretary~~
5 ~~shall specify.~~

6 ~~(3) Limitation on use of funds.— None of the funds awarded to a~~
7 ~~State under this section may be used by a State as the source of~~
8 ~~the non-Federal share of expenditures under the State plan (or~~
9 ~~waiver of such plan).~~

10 ~~(c) HCBS Improvement Plan Requirements.— In order to meet~~
11 ~~the requirements of this subsection, an HCBS improvement plan~~
12 ~~developed using funds awarded to a State under this section~~
13 ~~shall include, with respect to the State and subject to subsection~~
14 ~~(d), the following:~~

15 ~~(1) Existing medicaid hebs landscape.—~~

16 ~~(A) Eligibility and benefits.— A description of the existing~~
17 ~~standards, pathways, and methodologies for eligibility for home~~
18 ~~and community based services pursuant to the State plan (or~~
19 ~~waiver of such plan), including limits on assets and income, the~~
20 ~~home and community based services available under the State~~
21 ~~Medicaid program and the types of settings in which they may~~
22 ~~be provided, and utilization management standards for such~~
23 ~~services.~~

24 ~~(B) Access.—~~

25 ~~(i) Barriers.— A description of the barriers to accessing home~~
26 ~~and community based services in the State identified by~~
27 ~~Medicaid eligible individuals, the families of such individuals,~~
28 ~~and direct care workers and home care agencies, or other similar~~
29 ~~organizations.~~

1 ~~(ii) Availability; unmet need.—A summary, in accordance with~~
2 ~~guidance issued by the Secretary and as able to be practicably~~
3 ~~determined by the State, of the extent to which home and~~
4 ~~community-based services are available to all individuals in the~~
5 ~~State who would be eligible for such services under the State~~
6 ~~Medicaid program (including individuals who are on a waiting~~
7 ~~list for such services).~~

8 ~~(C) Utilization.—An assessment of the utilization of home and~~
9 ~~community-based services in the State (including the number of~~
10 ~~individuals receiving such services) during such period specified~~
11 ~~by the Secretary.~~

12 ~~(D) Service delivery structures and supports.—A description of~~
13 ~~the service delivery structures for providing home and~~
14 ~~community based services in the State.~~

15 ~~(E) Workforce.—A description of the direct care workforce,~~
16 ~~including estimates of the number of full and part-time direct~~
17 ~~care workers, the average and range of direct care worker wages,~~
18 ~~the benefits provided to direct care workers, the turnover and~~
19 ~~vacancy rates of direct care worker positions, the membership of~~
20 ~~direct care workers in labor organizations and, to the extent the~~
21 ~~State has access to such data, demographic information about~~
22 ~~such workforce, including information on race, ethnicity, and~~
23 ~~gender.~~

24 ~~(F) Payment rates.—~~

25 ~~(i) In general.—A description of the payment rates for home and~~
26 ~~community-based services, including, to the extent applicable,~~
27 ~~how payments for such services are factored into the~~
28 ~~development of managed care capitation rates, when the State~~
29 ~~last updated payment rates for home and community based~~

1 ~~services, and an estimate of the portion of the payment rate that~~
2 ~~goes toward direct care worker compensation.~~

3 ~~(ii) Assessment.—An assessment of the relationship between~~
4 ~~payment rates for such services and workforce shortages,~~
5 ~~average beneficiary wait times for such services,~~
6 ~~provider to beneficiary ratios in the geographic region, and any~~
7 ~~other factors identified by the Secretary.~~

8 ~~(G) Quality.—A description of how the quality of home and~~
9 ~~community-based services is measured and monitored.~~

10 ~~(H) Long-term services and supports provided in institutional~~
11 ~~settings.—A description of the number of individuals enrolled in~~
12 ~~the State Medicaid program in a year who receive items and~~
13 ~~services furnished by an institution for greater than 30 days in an~~
14 ~~institutional setting.~~

15 ~~(I) HCBS share of overall medicaid ltss spending.—For the most~~
16 ~~recent State fiscal year for which complete data is available, the~~
17 ~~percentage of expenditures made by the State under the State~~
18 ~~Medicaid program for long-term services and supports that are~~
19 ~~for home and community-based services.~~

20 ~~(J) Demographic data.—To the extent available and as~~
21 ~~applicable with respect to the information required under~~
22 ~~subparagraphs (B), (C), and (H), demographic data for such~~
23 ~~information, disaggregated by age groups, primary disability,~~
24 ~~income brackets, gender, race, ethnicity, geography, primary~~
25 ~~language, and type of service setting.~~

26 ~~(2) Goals for hebs improvements.—A description of how the~~
27 ~~State will do the following:~~

28 ~~(A) Conduct the activities required under subsection (jj) of~~
29 ~~section 1905 of the Social Security Act (as added under section~~

1 ~~30712).~~

2 ~~(B) Reduce barriers to and disparities in access or utilization of~~
3 ~~home and community based services in the State.~~

4 ~~(C) Monitor and report (with supporting data, to the extent~~
5 ~~available and applicable, disaggregated by age groups, primary~~
6 ~~disability, income brackets, gender, race, ethnicity, geography,~~
7 ~~primary language, and type of service setting) on access to home~~
8 ~~and community based services under the State Medicaid~~
9 ~~program, disparities in access to such services, and the~~
10 ~~utilization of such services.~~

11 ~~(D) Monitor and report the amount of State Medicaid~~
12 ~~expenditures for home and community based services under the~~
13 ~~State Medicaid program as a proportion of the total amount of~~
14 ~~State expenditures under the State Medicaid program for~~
15 ~~long term services and supports.~~

16 ~~(E) Monitor and report on wages, benefits, and vacancy and~~
17 ~~turnover rates for direct care workers.~~

18 ~~(F) Assess and monitor the sufficiency of payment rates under~~
19 ~~the State Medicaid program, in a manner specified by the~~
20 ~~Secretary, for the specific types of home and community based~~
21 ~~services available under such program for purposes of~~
22 ~~supporting direct care worker recruitment and retention and~~
23 ~~ensuring the availability of home and community based~~
24 ~~services.~~

25 ~~(G) Coordinate implementation of the HCBS improvement plan~~
26 ~~among the State Medicaid agency, agencies serving individuals~~
27 ~~with disabilities, agencies serving the elderly, and other relevant~~
28 ~~State and local agencies and organizations that provide related~~
29 ~~supports, such as those for housing, transportation, employment,~~

1 ~~and other services and supports.~~

2 ~~(d) Development and Approval Requirements.—~~

3 ~~(1) Development requirements.— In order to meet the~~
4 ~~requirements of this subsection, a State awarded a planning~~
5 ~~grant under this section shall develop an HCBS improvement~~
6 ~~plan for the State with input from stakeholders through a public~~
7 ~~notice and comment process that includes consultation with~~
8 ~~Medicaid eligible individuals who are recipients of home and~~
9 ~~community-based services, family caregivers of such recipients,~~
10 ~~providers, health plans, direct care workers, chosen~~
11 ~~representatives of direct care workers, and aging, disability, and~~
12 ~~workforce advocates.~~

13 ~~(2) Authority to adjust certain plan content requirements.— The~~
14 ~~Secretary may modify the requirements for any of the~~
15 ~~information specified in subsection (c)(1) if a State requests a~~
16 ~~modification and demonstrates to the satisfaction of the~~
17 ~~Secretary that it is impracticable for the State to collect and~~
18 ~~submit the information.~~

19 ~~(3) Submission and approval.— Not later than 24 months after~~
20 ~~the date on which a State is awarded a planning grant under this~~
21 ~~section, the State shall submit an HCBS improvement plan for~~
22 ~~approval by the Secretary, along with assurances by the State~~
23 ~~that the State will implement the plan in accordance with the~~
24 ~~requirements of the HCBS Improvement Program established~~
25 ~~under subsection (jj) of section 1905 of the Social Security Act~~
26 ~~(42 U.S.C. 1396d) (as added by section 30712). The Secretary~~
27 ~~shall approve and make publicly available the HCBS~~
28 ~~improvement plan for a State after the plan and such assurances~~
29 ~~are submitted to the Secretary for approval and the Secretary~~
30 ~~determines the plan meets the requirements of subsection (c). A~~

1 ~~State may amend its HCBS improvement plan, subject to the~~
2 ~~approval of the Secretary that the plan as so amended meets the~~
3 ~~requirements of subsection (c). The Secretary may withhold or~~
4 ~~recoup funds provided under this section to a State, if the State~~
5 ~~fails to comply with the requirements of this section.~~

6 ~~(e) Definitions.— In the part:~~

7 ~~(1) Direct care worker.— The term “direct care worker” means,~~
8 ~~with respect to a State, any of the following individuals who are~~
9 ~~paid to provide directly to Medicaid eligible individuals home-~~
10 ~~and community based services available under the State~~
11 ~~Medicaid program:~~

12 ~~(A) A registered nurse, licensed practical nurse, nurse-~~
13 ~~practitioner, or clinical nurse specialist, or a licensed nursing~~
14 ~~assistant who provides such services under the supervision of a~~
15 ~~registered nurse, licensed practical nurse, nurse practitioner, or~~
16 ~~clinical nurse specialist.~~

17 ~~(B) A direct support professional.~~

18 ~~(C) A personal care attendant.~~

19 ~~(D) A home health aide.~~

20 ~~(E) Any other paid health care professional or worker~~
21 ~~determined to be appropriate by the State and approved by the~~
22 ~~Secretary.~~

23 ~~(2) HCBS program improvement state.— The term “HCBS-~~
24 ~~program improvement State” means a State that is awarded a~~
25 ~~planning grant under subsection (b) and has an HCBS-~~
26 ~~improvement plan approved by the Secretary under subsection~~
27 ~~(d)(3).~~

28 ~~(3) Health plan.— The term “health plan” means any of the~~

1 ~~following entities that provide or arrange for home and~~
2 ~~community-based services for Medicaid eligible individuals who~~
3 ~~are enrolled with the entities under a contract with a State:~~

4 ~~(A) A Medicaid managed care organization, as defined in section~~
5 ~~1903(m)(1)(A) of the Social Security Act (42 U.S.C.~~
6 ~~1396b(m)(1)(A)).~~

7 ~~(B) A prepaid inpatient health plan or prepaid ambulatory health-~~
8 ~~plan, as defined in section 438.2 of title 42, Code of Federal-~~
9 ~~Regulations (or any successor regulation).~~

10 ~~(C) Any other entity determined to be appropriate by the State-~~
11 ~~and approved by the Secretary.~~

12 ~~(4) Home and community based services.—The term “home and~~
13 ~~community based services” means any of the following-~~
14 ~~(whether provided on a fee for service, risk, or other basis):~~

15 ~~(A) Home health care services authorized under paragraph (7) of~~
16 ~~section 1905(a) of the Social Security Act (42 U.S.C. 1396d(a)).~~

17 ~~(B) Private duty nursing services authorized under paragraph (8)-~~
18 ~~of such section, when such services are provided in a Medicaid-~~
19 ~~eligible individual’s home.~~

20 ~~(C) Personal care services authorized under paragraph (24) of~~
21 ~~such section.~~

22 ~~(D) PACE services authorized under paragraph (26) of such~~
23 ~~section.~~

24 ~~(E) Home and community based services authorized under~~
25 ~~subsections (b), (c), (i), (j), and (k) of section 1915 of such Act-~~
26 ~~(42 U.S.C. 1396n), authorized under a waiver under section-~~
27 ~~1115 of such Act (42 U.S.C. 1315), or provided through~~
28 ~~coverage authorized under section 1937 of such Act (42 U.S.C.-~~

1 ~~1396u7).~~

2 ~~(F) Case management services authorized under section~~
3 ~~1905(a)(19) of the Social Security Act (42 U.S.C. 1396d(a)(19))~~
4 ~~and section 1915(g) of such Act (42 U.S.C. 1396n(g)).~~

5 ~~(G) Rehabilitative services, including those related to behavioral~~
6 ~~health, described in section 1905(a)(13) of such Act (42 U.S.C.~~
7 ~~1396d(a)(13)).~~

8 ~~(H) Such other services specified by the Secretary.~~

9 ~~(5) Institutional setting. The term “institutional setting”~~
10 ~~means—~~

11 ~~(A) a skilled nursing facility (as defined in section 1819(a) of~~
12 ~~the Social Security Act (42 U.S.C. 1395i3(a)));~~

13 ~~(B) a nursing facility (as defined in section 1919(a) of such Act~~
14 ~~(42 U.S.C. 1396r(a)));~~

15 ~~(C) a long term care hospital (as described in section~~
16 ~~1886(d)(1)(B)(iv) of such Act (42 U.S.C.~~
17 ~~1395ww(d)(1)(B)(iv)));~~

18 ~~(D) a facility described in section 1905(d) of such Act (42~~
19 ~~U.S.C. 1396d(d));~~

20 ~~(E) an institution which is a psychiatric hospital (as defined in~~
21 ~~section 1861(f) of such Act (42 U.S.C. 1395x(f))) or that~~
22 ~~provides inpatient psychiatric services in a residential setting~~
23 ~~specified by the Secretary;~~

24 ~~(F) an institution described in section 1905(i) of such Act (42~~
25 ~~U.S.C. 1396d(i)); and~~

26 ~~(G) any other relevant facility, as determined by the Secretary.~~

27 ~~(6) Medicaid eligible individual. The term “Medicaid eligible~~

1 ~~individual” means an individual who is eligible for and~~
2 ~~receiving medical assistance under a State Medicaid plan or a~~
3 ~~waiver of such plan. Such term includes an individual who is on~~
4 ~~a waiting list and who would become eligible for medical~~
5 ~~assistance and enrolled under a State Medicaid plan, or waiver~~
6 ~~of such plan, upon receipt of home and community based~~
7 ~~services.~~

8 ~~(7) State medicaid program.—The term “State Medicaid~~
9 ~~program” means, with respect to a State, the State program~~
10 ~~under title XIX of the Social Security Act (42 U.S.C. 1396~~
11 ~~through 1396w-6) (including any waiver or demonstration under~~
12 ~~such title or under section 1115 of such Act (42 U.S.C. 1315)~~
13 ~~relating to such title).~~

14 ~~(8) Secretary.—The term “Secretary” means the Secretary of~~
15 ~~Health and Human Services.~~

16 ~~(9) State.—The term “State” means each of the 50 States, the~~
17 ~~District of Columbia, Puerto Rico, the Virgin Islands, Guam, the~~
18 ~~Northern Mariana Islands, and American Samoa.~~

19 ~~SEC. 30712. HCBS IMPROVEMENT PROGRAM.~~

20 ~~(a) Increased FMAP for HCBS Program Improvement~~
21 ~~States.—Section 1905 of the Social Security Act (42 U.S.C.~~
22 ~~1396d) is amended—~~

23 ~~(1) in subsection (b), by striking “and (ii)” and inserting “(ii),~~
24 ~~and (jj)”;~~ and

25 ~~(2) by adding at the end the following new subsection:~~

26 ~~“(jj) Additional Support for HCBS Program Improvement~~
27 ~~States.—~~

28 ~~“(1) In general.—~~

1 ~~“(A) Additional support.— Subject to paragraph (5), in the case~~
2 ~~of a State that is an HCBS program improvement State, for each~~
3 ~~fiscal quarter that begins on or after the first date on which the~~
4 ~~State is an HCBS program improvement State—~~

5 ~~“(i) and for which the State meets the requirements described in~~
6 ~~paragraphs (2) and (4), notwithstanding subsection (b) or (ff),~~
7 ~~subject to subparagraph (B), with respect to amounts expended~~
8 ~~during the quarter by such State for medical assistance for home~~
9 ~~and community based services, the Federal medical assistance~~
10 ~~percentage for such State and quarter (as determined for the~~
11 ~~State under subsection (b) and, if applicable, increased under~~
12 ~~subsection (y), (z), (aa), or (ii), or section 6008(a) of the~~
13 ~~Families First Coronavirus Response Act) shall be increased by~~
14 ~~6 percentage points in addition any percentage point increases~~
15 ~~pursuant to either such subsection (y), (z), (aa), or (ii), or such~~
16 ~~section 6008(a); and~~

17 ~~“(ii) with respect to the State meeting the requirements~~
18 ~~described in paragraphs (2) and (4), notwithstanding [sections~~
19 ~~1903(a)(7) and 1903(a)(3)], with respect to amounts expended~~
20 ~~during the quarter and before October 1, 2031, for~~
21 ~~administrative costs for expanding and enhancing home and~~
22 ~~community based services, including for enhancing Medicaid~~
23 ~~data and technology infrastructure, modifying rate setting~~
24 ~~processes, adopting or improving training programs for direct~~
25 ~~care workers and family caregivers, home and community based~~
26 ~~services ombudsman office activities, developing processes to~~
27 ~~identify direct care workers and assign such workers unique~~
28 ~~identifiers, and adopting, carrying out, or enhancing programs~~
29 ~~that register direct care workers or connect beneficiaries to~~
30 ~~direct care workers, the per centum specified in such [sections~~

1 ~~1903(a)(7) and 1903(a)(3)] shall be increased to 80 percent.~~

2 ~~In no case may the application of clause (i) result in the Federal~~
3 ~~medical assistance percentage determined for a State being more~~
4 ~~than 95 percent with respect to such expenditures. In no case~~
5 ~~shall the application of clause (ii) result in a reduction to the per-~~
6 ~~centum otherwise specified without application of such clause.~~
7 ~~Any increase pursuant to clause (ii) shall be available to a State~~
8 ~~before the State meets the requirements of paragraphs (2) and~~
9 ~~(4).~~

10 ~~“(B) Additional hcbs improvement efforts.— Subject to~~
11 ~~paragraph (5), in addition to the increase to the Federal medical~~
12 ~~assistance percentage under subparagraph (A)(i) for amounts~~
13 ~~expended during a quarter for medical assistance for home and~~
14 ~~community based services by an HCBS program improvement~~
15 ~~State that meets the requirements of paragraphs (2) and (4) for~~
16 ~~the quarter, the Federal medical assistance percentage for~~
17 ~~amounts expended by the State during the quarter for medical~~
18 ~~assistance for home and community based services shall be~~
19 ~~further increased by 2 percentage points (but not to exceed 95~~
20 ~~percent) during the first 6 fiscal quarters throughout which the~~
21 ~~State has implemented and has in effect a program to support~~
22 ~~self directed care that meets the requirements of paragraph (3).~~

23 ~~“(C) Nonapplication of territorial funding caps.— Any payment~~
24 ~~made to Puerto Rico, the Virgin Islands, Guam, the Northern~~
25 ~~Mariana Islands, or American Samoa for expenditures that are~~
26 ~~subject to an increase in the Federal medical assistance~~
27 ~~percentage under subparagraph (A)(i) or (B), or an increase in~~
28 ~~an applicable Federal matching percentage under subparagraph~~
29 ~~(A)(ii), shall not be taken into account for purposes of applying~~
30 ~~payment limits under subsections (f) and (g) of section 1108.~~

1 ~~“(D) Nonapplication to chip efmap.— Any increase described in~~
2 ~~subparagraph (A) (or payment made for expenditures on medical~~
3 ~~assistance that are subject to such increase) shall not be taken~~
4 ~~into account in calculating the enhanced FMAP of a State under~~
5 ~~section 2105.~~

6 ~~“(2) Requirements.— Subject to the last sentence of paragraph~~
7 ~~(1)(A), as conditions for receipt of the increase under paragraph~~
8 ~~(1) to the Federal medical assistance percentage determined for~~
9 ~~a State, with respect to a fiscal year quarter, the State shall meet~~
10 ~~each of the following requirements:~~

11 ~~“(A) Nonsupplantation.— The State uses the Federal funds~~
12 ~~attributable to the increase in the Federal medical assistance~~
13 ~~percentage for amounts expended during a quarter for medical~~
14 ~~assistance for home and community based services under~~
15 ~~subparagraphs (A) and, if applicable, (B) of paragraph (1) to~~
16 ~~supplement, and not supplant, the level of State funds expended~~
17 ~~for home and community based services for eligible individuals~~
18 ~~through programs in effect as of the date the State is awarded a~~
19 ~~planning grant under section 30711 of the Act titled ‘An Act to~~
20 ~~provide for reconciliation pursuant to title II of S. Con. Res. 14’.~~
21 ~~In applying this subparagraph, the Secretary shall provide that a~~
22 ~~State shall have a 3 year period, as specified by the Secretary, to~~
23 ~~spend any accumulated unspent State funds attributable to the~~
24 ~~increase described in clause (i) in the Federal medical assistance~~
25 ~~percentage.~~

26 ~~“(B) Maintenance of effort.—~~

27 ~~“(i) In general.— The State does not—~~

28 ~~“(I) reduce the amount, duration, or scope of home and~~
29 ~~community based services available under the State plan (or~~

1 ~~waiver of such plan) relative to the home and community based~~
2 ~~services available under the plan or a waiver of such plan as of~~
3 ~~the date on which the State was awarded a planning grant under~~
4 ~~section 30711 of the Act titled ‘An Act to provide for~~
5 ~~reconciliation pursuant to title II of S. Con. Res. 14’;~~

6 ~~“(II) reduce payment rates for home and community based~~
7 ~~services lower than such rates that were in place as of the date~~
8 ~~described in subclause (I), including, to the extent applicable,~~
9 ~~assumed payment rates for such services that are included in~~
10 ~~managed care capitation rates as such rates are being~~
11 ~~prospectively built; or~~

12 ~~“(III) except to the extent permitted under clause (ii), adopt~~
13 ~~more restrictive standards, methodologies, or procedures for~~
14 ~~determining eligibility for or the scope of medical assistance of~~
15 ~~home and community based services, including with respect to~~
16 ~~cost sharing, than the standards, methodologies, or procedures~~
17 ~~applicable as of the date described in subclause (I).~~

18 ~~“(ii) Flexibility to support innovative models. — A State may~~
19 ~~make modifications that would otherwise violate the~~
20 ~~maintenance of effort described in clause (i) if the State~~
21 ~~demonstrates to the satisfaction of the Secretary that such~~
22 ~~modifications shall not result in —~~

23 ~~“(I) home and community based services that are less~~
24 ~~comprehensive or lower in amount, duration, or scope;~~

25 ~~“(II) fewer individuals (overall and within particular eligibility~~
26 ~~groups) receiving home and community based services, the~~
27 ~~calculation of which may be adjusted for demographic changes~~
28 ~~since the date described in clause (i)(I); or~~

29 ~~“(III) increased cost sharing (other than resulting from the rate~~

- 1 ~~of inflation) for home and community based services.~~
- 2 ~~“(C) Access to services. Not later than an implementation date~~
3 ~~as specified by the Secretary (which may vary for each of the~~
4 ~~following clauses) after the first day of the first fiscal quarter for~~
5 ~~which a State receives an increase to the Federal medical~~
6 ~~assistance percentage or other applicable Federal matching~~
7 ~~percentage under paragraph (1), the State does all of the~~
8 ~~following to improve access to services:~~
- 9 ~~“(i) Reduce access barriers and disparities in access or~~
10 ~~utilization of home and community based services, as described~~
11 ~~in the State HCBS improvement plan.~~
- 12 ~~“(ii) Provides coverage of personal care services authorized~~
13 ~~under subsection (a)(24) for all individuals eligible for and~~
14 ~~enrolled in medical assistance in the State.~~
- 15 ~~“(iii) Provides for navigation of home and community based~~
16 ~~services through ‘no wrong door’ programs, provides expedited~~
17 ~~eligibility for home and community based services, and~~
18 ~~improves home and community based services counseling and~~
19 ~~education programs.~~
- 20 ~~“(iv) Expands access to behavioral health services furnished in~~
21 ~~home and community based settings.~~
- 22 ~~“(v) Improves coordination of home and community based~~
23 ~~services with employment, housing, and transportation supports.~~
- 24 ~~“(vi) Provides supports to family caregivers, such as respite~~
25 ~~care, caregiver assessments, peer supports, or paid family~~
26 ~~caregiving.~~
- 27 ~~“(vii) Newly provides coverage under, or expands existing~~
28 ~~eligibility criteria for, 1 or more of the eligibility categories~~

1 authorized under subclause ~~(XIII), (XV), or (XVI)~~ of section
2 ~~1902(a)(10)(A)(ii)~~.

3 ~~“(D) Strengthened and expanded workforce.—~~

4 ~~“(i) In general.—The State strengthens and expands the direct
5 care workforce that provides home and community based
6 services by—~~

7 ~~“(I) adopting processes to ensure that payment rates for home
8 and community based services are sufficient (as defined by the
9 Secretary) to ensure that care and services are available to the
10 extent described in the State HCBS improvement plan; and~~

11 ~~“(II) updating qualification standards (at such time and at such
12 frequency as the Secretary determines appropriate), and
13 developing and adopting training opportunities, for the
14 continuum of providers of home and community based services,
15 including programs for independent providers of such services
16 and agency direct care workers, as well as unique programs and
17 resources for family caregivers.~~

18 ~~“(ii) Payment rates.—In carrying out clause (i)(I), the State
19 shall—~~

20 ~~“(I) update and, as appropriate, increase payment rates to
21 support recruitment and retention of the direct care workforce by
22 2 years after approval of the improvement plan and, at least
23 every 3 years thereafter, using, through existing or other
24 processes to determine provider payment, a transparent process
25 involving meaningful input from stakeholders; and~~

26 ~~“(II) ensure that increases in the payment rates for home and
27 community based services—~~

28 ~~“(aa) at a minimum, result in a proportionate increase to~~

1 ~~payments for direct care workers and in a manner that is~~
2 ~~determined with input from the stakeholders described in~~
3 ~~subclause (H); and~~

4 ~~“(bb) are incorporated into provider payment rates for home and~~
5 ~~community based services provided under this title by a health~~
6 ~~plan, under a contract and paid through capitation rates with the~~
7 ~~State.~~

8 ~~“(3) Self directed models for the delivery of services.—As~~
9 ~~conditions for receipt of the increase under paragraph (1)(B) to~~
10 ~~the Federal medical assistance percentage determined for a~~
11 ~~State, with respect to a fiscal year quarter, the State shall~~
12 ~~establish directly, or by contract with 1 or more entities,~~
13 ~~including an agency with choice or a similar service delivery~~
14 ~~model, a program for the performance of all of the following~~
15 ~~functions to facilitate beneficiary use of self directed care in the~~
16 ~~case the State covers home and community based services under~~
17 ~~authorities that permit self direction:~~

18 ~~“(A) Registering qualified direct care workers and assisting~~
19 ~~beneficiaries in finding direct care workers.~~

20 ~~“(B) Undertaking activities to recruit and train independent~~
21 ~~providers to enable beneficiaries to direct their own care,~~
22 ~~including by providing or coordinating training for beneficiaries~~
23 ~~on self directed care.~~

24 ~~“(C) Ensuring the safety of, and supporting the quality of, care~~
25 ~~provided to beneficiaries, such as by conducting background~~
26 ~~checks and addressing complaints reported by recipients of~~
27 ~~home and community based services.~~

28 ~~“(D) Facilitating coordination between State and local agencies~~
29 ~~and direct care workers for matters of public health, training~~

1 ~~opportunities, changes in program requirements, workplace-~~
2 ~~health and safety, or related matters.~~

3 ~~“(E) Supporting beneficiary hiring, if selected by the~~
4 ~~beneficiary, of independent providers of home and~~
5 ~~community-based services, including by processing applicable~~
6 ~~tax information, collecting and processing timesheets,~~
7 ~~submitting claims and processing payments to such providers.~~

8 ~~“(F) To the extent a State permits beneficiaries to hire a family-~~
9 ~~member or individual with whom they have an existing~~
10 ~~relationship to provide home and community-based services,~~
11 ~~providing support to beneficiaries who wish to hire a caregiver~~
12 ~~who is a family member or individual with whom they have an~~
13 ~~existing relationship, such as by facilitating enrollment of such~~
14 ~~family member or individual as a provider of home and~~
15 ~~community-based services under the State plan or a waiver of~~
16 ~~such plan.~~

17 ~~“(G) Ensuring that the program under this paragraph does not~~
18 ~~promote or prevent the ability of workers to form a labor-~~
19 ~~organization or discriminate against workers who may join or~~
20 ~~decline to join such an organization.~~

21 ~~“(4) Reporting and oversight.—As conditions for receipt of the~~
22 ~~increase under paragraph (1) to the Federal medical assistance~~
23 ~~percentage determined for a State, with respect to a fiscal year-~~
24 ~~quarter, the State shall meet each of the following requirements:~~

25 ~~“(A) The State designates (by a date specified by the Secretary)~~
26 ~~an HCBS ombudsman (or a long-term care ombudsman program~~
27 ~~office) that—~~

28 ~~“(i) operates independently from the State Medicaid agency and~~
29 ~~managed care entities;~~

- 1 ~~“(ii) provides direct assistance to recipients of home and~~
2 ~~community-based services available under the State Medicaid~~
3 ~~program and their families; and~~
- 4 ~~“(iii) identifies and reports systemic problems to State officials,~~
5 ~~the public, and the Secretary.~~
- 6 ~~“(B) Beginning with the last day of the 5th fiscal quarter for~~
7 ~~which the State is an HCBS program improvement State, and~~
8 ~~annually thereafter, the State reports to the Secretary on the state~~
9 ~~(as of the most recent quarter before the report for which~~
10 ~~complete data is available and which may be incorporated into~~
11 ~~the report) of—~~
- 12 ~~“(i) the availability and utilization of home and~~
13 ~~community-based services, disaggregated (to the extent~~
14 ~~available and as applicable) by age groups, primary disability,~~
15 ~~income brackets, gender, race, ethnicity, geography, primary~~
16 ~~language, and type of service setting;~~
- 17 ~~“(ii) benefits, turnover and vacancy rates, and average and range~~
18 ~~of wages for the direct care workforce;~~
- 19 ~~“(iii) changes in payment rates for home and community-based~~
20 ~~services;~~
- 21 ~~“(iv) implementation of the activities to strengthen and expand~~
22 ~~access to home and community-based services and the direct~~
23 ~~care workforce that provides such services in accordance with~~
24 ~~the requirements of subparagraphs (C) and (D) of paragraph (2);~~
- 25 ~~“(v) if applicable, implementation of the activities described in~~
26 ~~paragraph (3);~~
- 27 ~~“(vi) State expenditures for home and community-based services~~
28 ~~under the State plan or a waiver of such plan as a proportion of~~

1 ~~the total amount of State expenditures under the plan or waiver~~
2 ~~of such plan for long term services and supports;~~

3 ~~“(vii) the challenges in, and best practices identified for~~
4 ~~expanding access to home and community based services,~~
5 ~~reducing disparities, and supporting and expanding the direct~~
6 ~~care workforce; and~~

7 ~~“(viii) the use of enhanced Federal funding provided under this~~
8 ~~section.~~

9 ~~“(5) Benchmarks for demonstrating improvements. — An HCBS~~
10 ~~program improvement State shall cease to be eligible for an~~
11 ~~increase in the Federal medical assistance percentage under~~
12 ~~paragraph (1)(A)(i) or (1)(B) or an increase in an applicable~~
13 ~~Federal matching percentage under paragraph (1)(A)(ii) on or~~
14 ~~after the first date on which a State is an HCBS program~~
15 ~~improvement State if the State is found to be out of compliance~~
16 ~~with paragraph (2)(B) or any other requirement of this~~
17 ~~subsection and, beginning with such 29th fiscal quarter, unless,~~
18 ~~not later than 90 days before the first day of such fiscal quarter,~~
19 ~~the State submits to the Secretary a report demonstrating the~~
20 ~~following improvements:~~

21 ~~“(A) Increased availability (above a marginal increase) of home~~
22 ~~and community based services in the State relative to such~~
23 ~~availability as reported in the State HCBS improvement plan~~
24 ~~and adjusted for demographic changes in the State since the~~
25 ~~submission of such plan.~~

26 ~~“(B) Reduced disparities in the utilization and availability of~~
27 ~~home and community based services relative to the availability~~
28 ~~and utilization of such services by such populations as reported~~
29 ~~in such plan according to age groups, primary disability, income~~

1 ~~brackets, gender, race, ethnicity, geography, primary language,~~
2 ~~and type of service setting (to the extent available and~~
3 ~~applicable), and adjusted for demographic changes in the State~~
4 ~~since the submission of such plan.~~

5 ~~“(C) Evidence that rates are sufficient (as defined by the~~
6 ~~Secretary) to ensure access to items and services for individuals~~
7 ~~eligible for HCBS in such State.~~

8 ~~“(D) With respect to the percentage of expenditures made by the~~
9 ~~State for long term services and supports that are for home and~~
10 ~~community based services, in the case of an HCBS program~~
11 ~~improvement State for which such percentage (as reported in the~~
12 ~~State HCBS improvement plan) was—~~

13 ~~“(i) less than 50 percent, the State demonstrates that the~~
14 ~~percentage of such expenditures has increased to at least 50~~
15 ~~percent since the plan was approved; and~~

16 ~~“(ii) at least 50 percent, the State demonstrates that such~~
17 ~~percentage has not decreased since the plan was approved.~~

18 ~~“(6) Definitions. In this subsection, the terms ‘State Medicaid~~
19 ~~plan’, ‘direct care worker’, ‘HCBS program improvement State’,~~
20 ~~‘health plan’; and ‘home and community based services’ have~~
21 ~~the meaning given those terms in section 30711(e) of the Act~~
22 ~~titled ‘An Act to provide for reconciliation pursuant to title II of~~
23 ~~S. Con. Res. 14’.”.~~

24 ~~SEC. 30713. FUNDING FOR FEDERAL ACTIVITIES.~~

25 ~~In addition to amounts otherwise available, there is appropriated~~
26 ~~to the Secretary for fiscal year 2022, out of any money in the~~
27 ~~Treasury not otherwise appropriated, \$40,000,000, to remain~~
28 ~~available until expended, to carry out section 30712 (including~~
29 ~~the amendments made by such section), including by issuing~~

1 ~~necessary guidance and technical assistance to States,~~
2 ~~conducting program integrity and oversight efforts, and~~
3 ~~preparing and submitting to the Committee on Energy and~~
4 ~~Commerce of the House of Representatives and the Committee~~
5 ~~on Finance of the Senate, beginning 5 years after the date of the~~
6 ~~enactment of this Act and every three years thereafter, a report~~
7 ~~describing the progress of the HCBS planning and improvement~~
8 ~~activities undertaken by States as applicable and as described in~~
9 ~~sections 30711 and 30712 (including the amendments made by~~
10 ~~such sections), and describing the impact of such activities on~~
11 ~~access to care, including with respect to disparities in access and~~
12 ~~utilization, and the direct care workforce.~~

13 ~~SEC. 30714. FUNDING FOR HCBS QUALITY~~
14 ~~MEASUREMENT AND IMPROVEMENT.~~

15 ~~(a) Increased Federal Matching Rate for Adoption and Reporting~~
16 ~~of HCBS Quality Measures.—~~

17 ~~(1) In general.—Section 1903(a)(3) of the Social Security Act~~
18 ~~(42 U.S.C. 1396b(a)(3)) is amended—~~

19 ~~(A) in subparagraph (F)(ii), by striking “plus” after the~~
20 ~~semicolon and inserting “and”; and~~

21 ~~(B) by inserting after subparagraph (F), the following:~~

22 ~~“(G) 80 percent of so much of the sums expended during such~~
23 ~~quarter as are attributable to the reporting of information~~
24 ~~regarding the quality of home and community based services in~~
25 ~~accordance with sections 1139A(a)(4)(B)(ii) and~~
26 ~~1139B(b)(3)(C); and”.~~

27 ~~(2) Exemption from territories’ payment limits.—Section~~
28 ~~1108(g)(4) of the Social Security Act is amended by adding at~~
29 ~~the end the following new subparagraph:~~

1 ~~“(C) Additional exemption relating to hcbs quality~~
2 ~~reporting. Payments under section 1903(a)(3)(G) shall not be~~
3 ~~taken into account in applying payment limits under subsections~~
4 ~~(f) and (g) of this subsection.”.~~

5 ~~(b) HCBS Quality Measures for Increase.— Title XI of the~~
6 ~~Social Security Act (42 U.S.C. 1301 through 1320e3) is~~
7 ~~amended—~~

8 ~~(1) in section 1139A—~~

9 ~~(A) in subsection (a)(4)(B)—~~

10 ~~(i) by striking “Beginning with the annual State report on fiscal~~
11 ~~year 2024” and inserting the following:~~

12 ~~“(i) In general.— Subject to clause (ii), beginning with the~~
13 ~~annual State report on fiscal year 2024”;~~ and

14 ~~(ii) by adding at the end the following new clause:~~

15 ~~“(ii) Reporting hcbs quality measures.— With respect to~~
16 ~~reporting on information regarding the quality of home and~~
17 ~~community based services provided to children under title XIX~~
18 ~~or title XXI, beginning with the annual State report required~~
19 ~~under subsection (c)(1) for the first fiscal year that begins on or~~
20 ~~after the date that is 2 years after the date that the Secretary~~
21 ~~publishes the home and community based services quality~~
22 ~~measures developed under subsection (b)(5)(B) the Secretary~~
23 ~~shall require States to report such information using the~~
24 ~~standardized format for reporting information and procedures~~
25 ~~developed under subparagraph (A) and using all such home and~~
26 ~~community based quality measures developed under subsection~~
27 ~~(b)(5) (including any updates or changes to such measures).”;~~
28 ~~and~~

1 ~~(B) in subsection (b)(5)—~~

2 ~~(i) by striking “Beginning no later than January 1, 2013” and~~
3 ~~inserting the following:~~

4 ~~“(A) In general.—Beginning no later than January 1, 2013”; and~~

5 ~~(ii) by adding at the end the following new subparagraph:~~

6 ~~“(B) HCBS quality measures.—Beginning with the first year~~
7 ~~that begins on the date that is 2 years after the date of enactment~~
8 ~~of this subparagraph, the requirements of subparagraph (A) shall~~
9 ~~apply, and the core measures described in subsection (a) (and~~
10 ~~any updates or changes to such measures) shall include home-~~
11 ~~and community-based services quality measures developed by~~
12 ~~the Secretary in the manner described in section~~
13 ~~1139B(b)(5)(D). The Secretary shall ensure that the application~~
14 ~~of such measures reflects the full array of home and-~~
15 ~~community-based services, consult with stakeholders with~~
16 ~~expertise in home and community-based services (including~~
17 ~~recipients and providers of such services) and allowing for the~~
18 ~~collection (to the extent available) of data disaggregated by age~~
19 ~~groups, primary disability, income brackets, gender, race,~~
20 ~~ethnicity, geography, primary language, and type of service-~~
21 ~~setting.”;~~

22 ~~(C) in subsection (b)(6)~~

23 ~~(i) by inserting “or support services” before “that is capable of”;~~

24 ~~(ii) by striking “and ambulatory health care and home and~~
25 ~~community-based settings” and inserting “, ambulatory health-~~
26 ~~care, and home and community-based settings”;~~ and

27 ~~(iii) by inserting “and home and community based” before “care~~
28 ~~system”;~~ and

1 ~~(D) in subsection (c)(1), in the matter preceding subparagraph~~
2 ~~(A), by inserting “, subject to subsection (a)(4)(B)(ii),” before~~
3 ~~“annually report”; and~~

4 ~~(2) in section 1139B—~~

5 ~~(A) in subsection (b)—~~

6 ~~(i) in paragraph (3), by adding at the end the following new~~
7 ~~subparagraph:~~

8 ~~“(C) Mandatory reporting with respect to hebs quality~~
9 ~~measures. Beginning with the State report required under~~
10 ~~subsection (d)(1) for the first year that begins on or after the date~~
11 ~~that is 2 years after the date that the Secretary publishes the~~
12 ~~home and community based quality measures developed under~~
13 ~~paragraph (5)(D), the Secretary shall require States to report~~
14 ~~information, using the standardized format for reporting~~
15 ~~information and procedures developed under subparagraph (A),~~
16 ~~regarding the quality of home and community based services for~~
17 ~~Medicaid eligible adults using all of the home and~~
18 ~~community based services quality measures included in the core~~
19 ~~set of adult health quality measures under paragraph (5)(D), and~~
20 ~~any updates or changes to such measures.”; and~~

21 ~~(ii) in paragraph (5), by adding at the end the following new~~
22 ~~subparagraph:~~

23 ~~“(D) HCBS quality measures.—~~

24 ~~“(i) Funding.— In addition to amounts otherwise available, there~~
25 ~~is appropriated to the Secretary, for each fiscal year, beginning~~
26 ~~with fiscal year 2022, out of any money in the Treasury not~~
27 ~~otherwise appropriated, \$5,000,000, for carrying out this~~
28 ~~subparagraph.~~

1 ~~“(ii) Inclusion of hebs quality measures.—Beginning with~~
2 ~~respect to State reports required under subsection (d)(1) for the~~
3 ~~first year that begins on or after the date that is 2 years after the~~
4 ~~date of enactment of this subparagraph (or, in the case of~~
5 ~~measures that require development and testing prior to~~
6 ~~availability, not later than 4 years after the date of enactment of~~
7 ~~this subparagraph) the core set of child and adult health quality~~
8 ~~measures maintained under this paragraph (and any updates or~~
9 ~~changes to such measures) shall include home and~~
10 ~~community based services quality measures developed in~~
11 ~~accordance with this subparagraph.~~

12 ~~“(iii) Requirements.—~~

13 ~~“(I) In general.—In developing (and subsequently reviewing and~~
14 ~~updating) the home and community based services quality~~
15 ~~measures included in the core set of adult health quality~~
16 ~~measures maintained under this paragraph, the Secretary shall~~
17 ~~collaborate with relevant agencies across the Department of~~
18 ~~Health and Human Services and ensure that such measures are~~
19 ~~informed consultation with stakeholders with expertise in home~~
20 ~~and community based services (including recipients and~~
21 ~~providers of such services).~~

22 ~~“(II) Full array of services.—Such home and community based~~
23 ~~services quality measures shall reflect the full array of home and~~
24 ~~community based services and adult recipients of such services.~~

25 ~~“(III) Demographics.—Such home and community based~~
26 ~~services quality measures shall allow for the collection, to the~~
27 ~~extent available, of data that is disaggregated by age groups,~~
28 ~~primary disability, income brackets, gender, race, ethnicity,~~
29 ~~geography, primary language, and type of service setting.~~

1 ~~“(IV) Definitions.— For purposes of this section and section~~
2 ~~1139A, the terms ‘home and community based services’, and~~
3 ~~‘direct care worker’ have the meanings given those terms in~~
4 ~~section 30711(e) of the Act titled ‘An Act to provide for~~
5 ~~reconciliation pursuant to title II of S. Con. Res. 14’.”; and~~
6 ~~(B) in subsection (d)(1)(A), by striking “; and” and inserting~~
7 ~~“and, beginning with the report for the first year that begins after~~
8 ~~the date that is 2 years after the Secretary publishes the home~~
9 ~~and community based quality measures developed under~~
10 ~~subsection (b)(5)(D), all home and community based services~~
11 ~~quality measures included in the core set of adult health quality~~
12 ~~measures maintained under subsection (b)(5) and any updates or~~
13 ~~changes to such measures; and”.~~

14 ~~PART 2— OTHER MEDICAID~~

15 ~~SEC. 30721. PERMANENT EXTENSION OF MEDICAID~~ 16 ~~PROTECTIONS AGAINST SPOUSAL IMPOVERISHMENT~~ 17 ~~FOR RECIPIENTS OF HOME AND COMMUNITY BASED~~ 18 ~~SERVICES.~~

19 ~~(a) In General.— Section 1924(h)(1)(A) of the Social Security~~
20 ~~Act (42 U.S.C. 1396r5(h)(1)(A)) is amended by striking “(at the~~
21 ~~option of the State) is described in section~~
22 ~~1902(a)(10)(A)(ii)(VI)” and inserting the following: “is eligible~~
23 ~~for medical assistance for home and community based services~~
24 ~~provided under subsection (c), (d), or (i) of section 1915 or~~
25 ~~under a waiver approved under section 1115, or who is eligible~~
26 ~~for such medical assistance by reason of being determined~~
27 ~~eligible under section 1902(a)(10)(C) or by reason of section~~
28 ~~1902(f) or otherwise on the basis of a reduction of income based~~
29 ~~on costs incurred for medical or other remedial care, or who is~~
30 ~~eligible for medical assistance for home and community based~~

1 ~~attendant services and supports under section 1915(k)”.~~

2 ~~(b) Conforming Amendment.— Section 2404 of the Patient~~
3 ~~Protection and Affordable Care Act (42 U.S.C. 1396r5 note) is~~
4 ~~amended by striking “September 30, 2023” and inserting “the~~
5 ~~date of the enactment of the Act titled ‘An Act to provide for~~
6 ~~reconciliation pursuant to title II of S. Con. Res. 14”.~~

7 ~~SEC. 30722. PERMANENT EXTENSION OF MONEY~~
8 ~~FOLLOWS THE PERSON REBALANCING~~
9 ~~DEMONSTRATION.~~

10 ~~(a) In General.— Subsection (h) of section 6071 of the Deficit~~
11 ~~Reduction Act of 2005 (42 U.S.C. 1396a note) is amended—~~

12 ~~(1) in paragraph (1)—~~

13 ~~(A) in subparagraph (I), by inserting “and” after the semicolon;~~

14 ~~(B) by amending subparagraph (J) to read as follows:~~

15 ~~“(J) \$450,000,000 for each fiscal year after fiscal year 2021.”;~~
16 ~~and~~

17 ~~(C) by striking subparagraph (K);~~

18 ~~(2) in paragraph (2), by striking “September 30, 2023” and~~
19 ~~inserting “September 30 of the subsequent fiscal year”; and~~

20 ~~(3) by adding at the end the following new paragraph:~~

21 ~~“(3) Technical assistance.— Out of the amounts made available~~
22 ~~under paragraph (1), for the 3-year period beginning with fiscal~~
23 ~~year 2022 and for each subsequent 3-year period, \$5,000,000~~
24 ~~shall be made available for carrying out subsections (f), (g), and~~
25 ~~(i).”.~~

26 ~~(b) Redistribution of Unexpended Grant Awards.— Subsection~~
27 ~~(e)(2) of section 6071 of the Deficit Reduction Act of 2005 (42~~

~~U.S.C. 1396a note) is amended by adding at the end the following new sentence: “Any portion of a State grant award for a fiscal year under this section that is unexpended by the State at the end of the fourth succeeding fiscal year shall be rescinded by the Secretary and added to the appropriation for the fifth succeeding fiscal year.”.~~

~~Subtitle F—Social~~ **G—Social** Safety Net

SEC. 137001. AMENDMENT OF 1986 CODE.

Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

PART 1—CHILD TAX CREDIT

SEC. 137101. MODIFICATIONS APPLICABLE BEGINNING IN 2021.

(a) Safe Harbor Exception for Fraud and Intentional Disregard of Rules and Regulations.—Section 24(j)(2)(B) is amended—

(1) by striking “qualified” each place it appears in clause (iv)(II) and inserting “qualifying”, and

(2) by adding at the end the following new clause:

“(v) EXCEPTION FOR FRAUD AND INTENTIONAL DISREGARD OF RULES AND REGULATIONS.—

“(I) IN GENERAL.—For purposes of determining the safe harbor amount under clause (iv) with respect to any taxpayer, an individual shall not be treated as taken into account in determining the annual advance amount of such taxpayer if the Secretary determines that such individual was so taken into account due to fraud by the taxpayer or intentional disregard of rules and regulations by the taxpayer.

“(II) ARRANGEMENTS TO TAKE INDIVIDUAL INTO ACCOUNT MORE THAN ONCE.—For purposes of subclause (I), a taxpayer shall not fail to be treated as intentionally disregarding rules and regulations with respect to any individual taken into account in determining the annual advance amount of such taxpayer if such taxpayer entered into a plan or other arrangement with, or expected, another taxpayer to take such individual into account in determining the credit allowed under this section for the taxable year.”.

(b) Rules Relating to Reconciliation of Credit and Advance Credit.—Section 24(j) is amended

1 by adding at the end the following new paragraphs:

2 “(3) JOINT RETURNS.—Except as otherwise provided by the Secretary, in the case of an
3 advance payment made under section 7527A with respect to a joint return, half of such
4 payment shall be treated as having been made to each individual filing such return.

5 “(4) COORDINATION WITH POSSESSIONS OF THE UNITED STATES.—For purposes of this
6 subsection, payments made under section 7527A include payments made by any jurisdiction
7 other than the United States under section 7527A of the income tax law of such jurisdiction,
8 and advance payments made by American Samoa pursuant to a plan described in subsection
9 (k)(3)(B). In carrying out this section, the Secretary shall coordinate with each possession of
10 the United States to prevent any application of this paragraph that is inconsistent with the
11 purposes of this subsection.”.

12 (c) Annual Advance Amount.—Section 7527A(b) is amended—

13 (1) in paragraph (1)—

14 (A) in subparagraph (A), by inserting “or based on any other information known to
15 the Secretary” after “reference taxable year”,

16 (B) in subparagraph (C), by inserting “unless determined by the Secretary based on
17 any information known to the Secretary,” before “the only children”, and

18 (C) in subparagraph (D), by inserting “unless determined by the Secretary based on
19 any information known to the Secretary,” before “the ages of”, and

20 (2) in paragraph (3)(A)(ii), by striking “ provided by the taxpayer” and inserting
21 “provided, or known,”.

22 (d) Disclosure of Information Relating to Joint Filers and Advance Payment of Child Tax
23 Credit.—Section 6103(e) is amended by adding at the end the following new paragraph:

24 “(12) DISCLOSURE OF INFORMATION RELATING TO JOINT FILERS AND ADVANCE PAYMENT
25 OF CHILD TAX CREDIT.—In the case of an individual to whom the Secretary makes payments
26 under section 7527A, if the reference taxable year (as defined in section 7527A(b)(2)) that
27 the Secretary uses to calculate such payments is a year for which the individual filed an
28 income tax return jointly with another individual, the Secretary may disclose to such
29 individual any **return information of such other individual** which is relevant in
30 determining the payment under section 7527A and the individual’s eligibility for such
31 payment, including information regarding any of the following:

32 “(A) The number of specified children, including by reason of the birth of a child.

33 “(B) The name and TIN of specified children.

34 “(C) Marital status.

35 “(D) Modified adjusted gross income.

36 “(E) Principal place of abode.

37 “(F) Any other factor which the Secretary may provide pursuant to section
38 7527A(c).”.

39 (e) Effective Date.—

1 (1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made
2 by this section shall apply to taxable years beginning, and payments made, after December
3 31, 2020.

4 (2) DISCLOSURE OF INFORMATION RELATING TO JOINT FILERS AND ADVANCE PAYMENT OF
5 CHILD TAX CREDIT.—The amendment made by subsection (d) shall take effect on the date of
6 the enactment of this Act.

7 SEC. 137102. EXTENSIONS AND MODIFICATIONS 8 APPLICABLE BEGINNING IN 2022.

9 (a) Extensions.—

10 (1) EXTENSION OF CHILD TAX CREDIT.—Section 24(i) is amended—

11 (A) by striking “January 1, 2022” in the matter preceding paragraph (1) and
12 inserting “January 1, 2023”, and

13 (B) by inserting “and 2022” after “2021” in the heading thereof.

14 (2) EXTENSION OF PROVISIONS RELATED TO POSSESSIONS OF THE UNITED STATES.—

15 (A) Section 24(k)(2)(B) is amended—

16 (i) by striking “December 31, 2021” in the matter preceding clause (i) and
17 inserting “December 31, 2022”, and

18 (ii) by striking “After 2021” in the heading thereof and inserting “After 2022”.

19 (B) Section 24(k)(3)(C)(ii) is amended—

20 (i) in subclause (I), by inserting “or 2022” after “2021”, and

21 (ii) in subclause (II), by striking “December 31, 2021” and inserting
22 “December 31, 2022”.

23 (C) The heading of section 24(k)(2)(A) is amended by inserting “and 2022” after
24 “2021”.

25 (b) Extension and Modification of Advance Payment.—

26 (1) IN GENERAL.—Section 7527A is amended—

27 (A) in subsection (b)(1), by striking “50 percent of”,

28 (B) in clauses (i) and (ii) of subsection (e)(4)(C), by inserting “or 2022” after “in
29 2021”, and

30 (C) in subsection (f), by striking “December 31, 2021” and inserting “December 31,
31 2022”.

32 (2) MONTHLY PAYMENTS.—

33 (A) IN GENERAL.—Section 7527A(a) is amended to read as follows:

34 “(a) In General.—The Secretary shall establish a program for making monthly payments to
35 taxpayers in amounts equal to 1/12 of the annual advance amount with respect to such
36 taxpayer.”.

1 (B) MODIFICATIONS DURING CALENDAR YEAR.—Section 7527A(b)(3), as amended
2 by the preceding provisions of this Act, is amended—

3 (i) by amending subparagraph (A)(ii) to read as follows:

4 “(ii) any other information provided, or known, to the Secretary which allows
5 the Secretary to more accurately estimate the amount treated as allowed under
6 subpart C of part IV of subchapter A of chapter 1 by reason of section 24(i)(1)
7 with respect to the taxpayer for the reference taxable year.”, ~~and (ii) by~~
8 ~~redesignating subparagraph (B) as subparagraph (C) and by inserting after~~
9 ~~subparagraph (A) the following new subparagraph:~~

10 ~~“(B) Application of modifications to subsequent months.—Except as may be~~
11 ~~provided under subparagraph (C), any modification of the annual advance amount~~
12 ~~with respect to any taxpayer under subparagraph (A) shall be taken into account~~
13 ~~for purposes of determining the amount of monthly payments with respect to such~~
14 ~~taxpayer under subsection (a) which are determined by the Secretary after such~~
15 ~~modification.”, and~~

16 (iii) in subparagraph (C) (as redesignated by clause (ii)) **(ii) in subparagraph**
17 **(B)**, by striking “periodic payment” both places it appears and inserting “monthly
18 payment”.

19 (C) CONFORMING AMENDMENT.—Section 7527A(c)(2) is amended by striking
20 “subsection (b)(3)(B)” and inserting “subsection (b)(3)”.

21 (3) ELIGIBILITY FOR ADVANCE PAYMENTS LIMITED BASED ON MODIFIED ADJUSTED GROSS
22 INCOME.—Section 7527A(b) is amended by adding at the end the following new paragraph:

23 “(6) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—

24 “(A) IN GENERAL.—If the modified adjusted gross income of the taxpayer for the
25 reference taxable year exceeds the applicable threshold amount with respect to such
26 taxpayer (as defined in section 24(i)(4)(B)), the annual advance amount with respect to
27 such taxpayer shall be zero.

28 “(B) EXCEPTION FOR MODIFICATIONS MADE DURING THE CALENDAR
29 YEAR.—Subparagraph (A) shall not apply to a reference taxable year taken into
30 account by reason of paragraph (3)(A)(i) or subsection (c) if the taxpayer received one
31 or more payments under subsection (a) for months in the calendar year which precede
32 the month for which such reference taxable year will be taken into account.”.

33 (4) ADVANCE PAYMENTS TO PUERTO RICO RESIDENTS FOR 2022.—Section 7527A(e)(4) is
34 amended—

35 (A) in subparagraph (A), by striking “The advance” and inserting “Except as
36 provided in subparagraph (D), the advance”, and

37 (B) by adding at the end the following new subparagraph:

38 “(D) ADVANCE PAYMENTS TO PUERTO RICO RESIDENTS FOR 2022.—For the period
39 beginning on July 1, 2022, and ending on December 31, 2022, the Secretary may apply
40 this section without regard to subparagraph (A)(i).”.

1 (c) Election to Apply Income Phaseout on Basis of Income From the Preceding Taxable
2 Year.—Section 24(i) is amended by adding at the end the following new paragraph:

3 “(5) ELECTION TO APPLY INCOME PHASEOUT ON BASIS OF INCOME FROM THE PRECEDING
4 TAXABLE YEAR.—In the case of a taxpayer who elects (at such time and in such manner as
5 the Secretary may provide) the application of this paragraph for any taxable year, paragraph
6 (4) and subsection (b)(1) shall both be applied with respect to the modified adjusted gross
7 income (as defined in subsection (b)) for the taxpayer’s preceding taxable year.”.

8 (d) Modification of Recapture Safe Harbor for 2022.—Section 24(j)(2)(B)(iv), as amended by
9 the preceding provisions of this Act, is amended to read as follows:

10 “(iv) SAFE HARBOR AMOUNT.—For purposes of this subparagraph, the term
11 ‘safe harbor amount’ means, with respect to any taxpayer for any taxable year, the
12 sum of—

13 “(I) an amount equal to the product of \$3,600 multiplied by the excess (if
14 any) of the number of qualifying children who have not attained age 6 as of
15 the close of the calendar year in which the taxable year of the taxpayer
16 begins, and who are taken into account in determining the annual advance
17 amount with respect to the taxpayer under section 7527A with respect to
18 months beginning in such taxable year, over the number of such qualifying
19 children taken into account in determining the credit allowed under this
20 section for such taxable year, plus

21 “(II) an amount equal to the product of \$3,000 multiplied by the excess (if
22 any) of the number of qualifying children not described in clause (I), and
23 who are taken into account in determining the annual advance amount with
24 respect to the taxpayer under section 7527A with respect to months
25 beginning in such taxable year, over the number of such qualifying children
26 taken into account in determining the credit allowed under this section for
27 such taxable year.”.

28 (e) Repeal of Social Security Number Requirement.—

29 (1) IN GENERAL.—Section 24(h) is amended by striking paragraph (7).

30 (2) CONFORMING AMENDMENTS.—

31 (A) Section 24(h)(1) is amended by striking “paragraphs (2) through (7)” and
32 inserting “paragraphs (2) through (6)”.

33 (B) Section 24(h)(4) is amended by striking subparagraph (C).

34 (f) Effective Date.—The amendments made by this section shall apply to taxable years
35 beginning, and payments made, after December 31, 2021.

36 SEC. 137103. REFUNDABLE CHILD TAX CREDIT AFTER 37 2022.

38 (a) In General.—Section 24 is amended by adding at the end the following new subsection:

39 “(l) Refundable Credit After 2022.—In the case of any taxable year beginning after December

1 31, 2022, if the taxpayer (in the case of a joint return, either spouse) has a principal place of
2 abode in the United States (determined as provided in section 32) for more than one-half of the
3 taxable year or is a bona fide resident of Puerto Rico (within the meaning of section 937(a)) for
4 such taxable year—

5 “(1) subsection (d) shall not apply, and

6 “(2) so much of the credit determined under subsection (a) (after application of paragraph
7 (1)) as does not exceed the amount of such credit which would be so determined without
8 regard to subsection (h)(4) shall be allowed under subpart C (and not allowed under this
9 subpart)”.

10 (b) Conforming Amendments Related to Possessions of the United States.—

11 (1) PUERTO RICO.—Section 24(k)(2)(B), as amended by the preceding provisions of this
12 Act, is amended to read as follows:

13 “(B) APPLICATION TO TAXABLE YEARS AFTER 2022.—For application of refundable
14 credit to residents of Puerto Rico for taxable years after 2022, see subsection (I).”.

15 (2) AMERICAN SAMOA.—Section 24(k)(3)(C)(ii)(II), as amended by the preceding
16 provisions of this Act, is amended to read as follows:

17 “(II) if such taxable year begins after December 31, 2022, subsection (I)
18 shall be applied by substituting ‘Puerto Rico or American Samoa’ for ‘Puerto
19 Rico’.”.

20 (c) Effective Date.—The amendments made by this section shall apply to taxable years
21 beginning after December 31, 2022.

22 **SEC. 137104. APPROPRIATIONS.**

23 **Immediately upon the enactment of this Act, in addition to amounts otherwise available,**
24 **there are appropriated out of any money in the Treasury not otherwise appropriated:**

25 **(1) \$3,963,300,000 to remain available until September 30, 2026, for necessary**
26 **expenses for the Internal Revenue Service to administer the Child Tax Credit, and**
27 **advance payments of the Child Tax Credit, including the costs of disbursing such**
28 **payments, which shall supplement and not supplant any other appropriations that**
29 **may be available for this purpose, and**

30 **(2) \$1,000,000,000 is appropriated to the Department of the Treasury, to remain**
31 **available until September 30, 2026, to support efforts to increase enrollment of eligible**
32 **families in the Child Tax Credit, for advance payments of the Child Tax Credit, and**
33 **for other tax benefits, including but not limited to program outreach, costs of data**
34 **sharing arrangements, systems changes, forms changes, and related efforts, and efforts**
35 **to support the cross-enrollment of beneficiaries of other programs in the Child Tax**
36 **Credit, and for advance payments of the Child Tax Credit, including by establishing**
37 **intergovernmental cooperative agreements with states and local governments, tribal**
38 **governments, and possessions of the United States: Provided, that such amount shall**
39 **be available in addition to any amounts otherwise available: Provided further, that**
40 **these funds may be awarded by federal agencies to state and local governments, tribal**
41 **governments, and possessions of the United States, and private entities, including**

1 **organizations dedicated to free tax return preparation and low income taxpayer clinics**
2 **funded under section 7526 of the Internal Revenue Code of 1986.**

3 **PART 2—EARNED INCOME TAX CREDIT**

4 **SEC. 137201. CERTAIN IMPROVEMENTS TO THE**
5 **EARNED INCOME TAX CREDIT EXTENDED THROUGH**
6 **2022.**

7 (a) In General.—Section 32(n) is amended by striking “January 1, 2022” and inserting
8 “January 1, 2023”.

9 (b) Inflation Adjustment.—Section 32(n)(4)(B) is amended to read as follows:

10 “(B) INFLATION ADJUSTMENT.—In the case of any taxable year beginning after 2021,
11 the \$9,820 and \$11,610 dollar amounts in subparagraph (A) shall be increased by an
12 amount equal to—

13 “(i) such dollar amount, multiplied by

14 “(ii) the cost-of-living adjustment determined under section 1(f)(3) for the
15 calendar year in which the taxable year begins, determined by substituting
16 ‘calendar year 2020’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof.”.

17 (c) Election to Determine Earned Income Based on Prior Taxable Year.—Section 32, as
18 amended by subsection (f), is amended by adding at the end the following new subsection:

19 “(o) Election to Determine Earned Income Based on Prior Taxable Year.—

20 “(1) IN GENERAL.—In the case of a taxpayer whose earned income for any taxable year
21 beginning after December 31, 2021, and before January 1, 2023, is less than the earned
22 income of such taxpayer for the preceding taxable year, if such taxpayer elects (at such time
23 and in such manner as the Secretary may provide) the application of this subsection for such
24 taxable year, the earned income of such taxpayer for such taxable year shall be treated for
25 purposes of this section as being equal to the earned income of such taxpayer for such
26 preceding taxable year.

27 “(2) JOINT RETURNS.—For purposes of this subsection, in the case of a joint return, the
28 earned income of the taxpayer for the preceding taxable year shall be the sum of the earned
29 income of each spouse for the preceding taxable year.

30 “(3) TREATMENT AS MATHEMATICAL OR CLERICAL ERROR.—In the case of a taxpayer
31 described in paragraph (1) who makes the election described in such paragraph, the use on
32 the return for purposes of this section of an amount of earned income for the preceding
33 taxable year which differs from the amount of such earned income as shown in the
34 electronic files of the Internal Revenue Service shall be treated as a mathematical or clerical
35 error for purposes of section 6213.

36 “(4) TREATMENT OF REFERENCES.—Any provision of this title which defines or
37 determines earned income by reference to this section shall be applied without regard to this
38 subsection unless such provision specifically provides otherwise.”.

1 (d) Effective Date.—The amendments made by this section shall apply to taxable years
2 beginning after December 31, 2021.

3 **SEC. 137202. FUNDS FOR ADMINISTRATION OF**
4 **EARNED INCOME TAX CREDITS IN THE TERRITORIES.**

5 (a) Puerto Rico.—Section 7530(a)(1) is amended by striking “plus” at the end of subparagraph
6 (A), by striking the period at the end of subparagraph (B) and inserting “, plus”, and by adding at
7 the end the following new subparagraph:

8 “(C) reasonable administrative costs associated with the provision of the earned
9 income tax credit not in excess of \$4,000,000.”.

10 (b) Possessions With Mirror Code Tax Systems.—Section 7530(b)(1) is amended by striking
11 “plus” at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and
12 inserting “, plus”, and by adding at the end the following new subparagraph:

13 “(C) reasonable administrative costs associated with the provision of the earned
14 income tax credit not in excess of \$200,000.”.

15 (c) American Samoa.—Section 7530(c)(1) is amended by striking “plus” at the end of
16 subparagraph (A), by striking the period at the end of subparagraph (B) and inserting “, plus”,
17 and by adding at the end the following new subparagraph:

18 “(C) reasonable administrative costs associated with the provision of the earned
19 income tax credit not in excess of \$200,000.”.

20 (d) Effective Date.—The amendments made by this section shall apply to payments made for
21 calendar years beginning after December 31, 2021.

22 **PART 3—EXPANDING ACCESS TO HEALTH COVERAGE**
23 **AND LOWERING COSTS**

24 **SEC. 137301. IMPROVE AFFORDABILITY AND REDUCE**
25 **PREMIUM COSTS OF HEALTH INSURANCE FOR**
26 **CONSUMERS.**

27 (a) In General.—Section 36B(b)(3)(A)(iii) is amended—

28 (1) by striking ~~clause (ii) and redesignating clause (iii) as clause (ii), and~~

29 ~~(2) in clause (ii) (as redesignated by paragraph (1)) by striking all that precedes the table~~
30 ~~contained therein and inserting the following:~~

31 “~~(ii) Temporary~~“(iii) **DETERMINING PERCENTAGES FOR 2021 THROUGH**
32 **2025.—IN 2026.—**

33 “**(I) IN GENERAL.—**In the case of a taxable year beginning after
34 December 31, 2020, and before January 1, 2026, the following table shall be
35 applied in lieu of the table contained in clause (i):”, **and**

36 **(2) by adding at the end the following new subclause:**

1 **“(II) INDEXING.—In the case of a taxable year beginning after**
2 **December 31, 2020, and before January 1, 2027, clause (ii) shall not**
3 **apply for purposes of adjusting premium percentages under this**
4 **subparagraph.”.**

5 (b) Extension Through 2025 of Rule to Allow Credit to Taxpayers Whose Household Income
6 Exceeds 400 Percent of the Poverty Line.—Section 36B(c)(1)(E) is amended—

7 (1) by striking “in 2021 or 2022” and inserting “after December 31, 2020, and before
8 January 1, 2026”, and

9 (2) by striking “AND 2022” in the heading thereof and inserting “THROUGH 2025”.

10 (c) Effective Date.—The amendments made by this section shall apply to taxable years
11 beginning after December 31, 2021.

12 **SEC. 137302. MODIFICATION OF** 13 **EMPLOYER-SPONSORED COVERAGE AFFORDABILITY** 14 **TEST IN HEALTH INSURANCE PREMIUM TAX CREDIT.**

15 (a) In General.—Section 36B(c)(2)(C)(i)(II) is amended by inserting “(8.5 percent in the case
16 of any taxable year beginning after December 31, 2021, and before January 1, 2026)” after “9.5
17 percent”.

18 (b) Qualified Small Employer Health Reimbursement Arrangements.—Section
19 36B(c)(4)(C)(ii) is amended by inserting “(8.5 percent in the case of any taxable year beginning
20 after December 31, 2021, and before January 1, 2026)” after “9.5 percent”.

21 (c) Percentages **Temporarily** Determined Without Regard to ~~Adjustments After 2025.~~
22 **Adjustments.**—

23 ~~(1) Section 36B(c)(2)(C) is amended by striking clause (iv).~~ **(1) Section 36B(c)(2)(C)(iv)**
24 **is amended by adding at the end the following: “The preceding sentence shall not**
25 **apply in the case of any plan year beginning after December 31, 2021, and before**
26 **January 1, 2027.”.**

27 ~~(2) Section 36B(c)(4) is amended by striking subparagraph (F).~~ **(2) Section 36B(c)(4)(F)**
28 **is amended by adding at the end the following: “The preceding sentence shall not**
29 **apply in the case of any plan year beginning after December 31, 2021, and before**
30 **January 1, 2027.”.**

31 (d) Effective Date.—The amendments made by this section shall apply to taxable years
32 beginning after December 31, 2021.

33 **SEC. 137303. TREATMENT OF LUMP-SUM SOCIAL** 34 **SECURITY BENEFITS IN DETERMINING HOUSEHOLD** 35 **INCOME.**

36 (a) In General.—Section 36B(d)(2) is amended by adding at the end the following new
37 subparagraph:

1 “(C) EXCLUSION OF PORTION OF LUMP-SUM SOCIAL SECURITY BENEFITS.—

2 “(i) IN GENERAL.—The term ‘modified adjusted gross income’ shall not include
3 so much of any lump-sum social security benefit payment as is attributable to
4 months ending before the beginning of the taxable year.

5 “(ii) LUMP-SUM SOCIAL SECURITY BENEFIT PAYMENT.—For purposes of this
6 subparagraph, the term ‘lump-sum social security benefit payment’ means any
7 payment of social security benefits (as defined in section 86(d)(1)) which
8 constitutes more than 1 month of such benefits.

9 “(iii) ELECTION TO INCLUDE EXCLUDABLE AMOUNT.—With respect to any
10 taxable year beginning after December 31, 2025, a taxpayer may elect (at such
11 time and in such manner as the Secretary may provide) to have this subparagraph
12 not apply for such taxable year.”.

13 (b) Effective Date.—The amendment made by this section shall apply to taxable years
14 beginning after December 31, 2021.

15 SEC. 137304. TEMPORARY EXPANSION OF HEALTH 16 INSURANCE PREMIUM TAX CREDITS FOR CERTAIN 17 LOW-INCOME POPULATIONS.

18 (a) In General.—Section 36B is amended by redesignating subsection (h) as subsection (i) and
19 by inserting after subsection (g) the following new subsection:

20 “(h) Certain Temporary Rules Beginning in 2022.—With respect to any taxable year
21 beginning after December 31, 2021, and before January 1, 2026—

22 “(1) ELIGIBILITY FOR CREDIT NOT LIMITED BASED ON INCOME.—Section 36B(c)(1)(A)
23 shall be disregarded in determining whether a taxpayer is an applicable taxpayer.

24 “(2) CREDIT ALLOWED TO CERTAIN LOW-INCOME EMPLOYEES OFFERED
25 EMPLOYER-PROVIDED COVERAGE.—Subclause (II) of subsection (c)(2)(C)(i) shall not apply
26 if the taxpayer’s household income does not exceed 138 percent of the poverty line for a
27 family of the size involved. Subclause (II) of subsection (c)(2)(C)(i) shall also not apply to
28 an individual described in the last sentence of such subsection if the taxpayer’s household
29 income does not exceed 138 percent of the poverty line for a family of the size involved.

30 “(3) CREDIT ALLOWED TO CERTAIN LOW-INCOME EMPLOYEES OFFERED QUALIFIED SMALL
31 EMPLOYER HEALTH REIMBURSEMENT ARRANGEMENTS.—A qualified small employer health
32 reimbursement arrangement shall not be treated as constituting affordable coverage for an
33 employee (or any spouse or dependent of such employee) for any months of a taxable year
34 if the employee’s household income for such taxable year does not exceed 138 percent of
35 the poverty line for a family of the size involved.

36 “(4) LIMITATIONS ON RECAPTURE.—

37 “(A) IN GENERAL.—In the case of a taxpayer whose household income is less than
38 200 percent of the poverty line for the size of the family involved for the taxable year,
39 the amount of the increase under subsection (f)(2)(A) shall in no event exceed \$300
40 (one-half of such amount in the case of a taxpayer whose tax is determined under

1 section 1(c) for the taxable year).

2 “(B) LIMITATION ON INCREASE FOR CERTAIN NON-FILERS.—In the case of any
3 taxpayer who would not be required to file a return of tax for the taxable year but for
4 any requirement to reconcile advance credit payments under subsection (f), if an
5 Exchange established under title I of the Patient Protection and Affordable Care Act
6 has determined that—

7 “(i) such taxpayer is eligible for advance payments under section 1412 of such
8 Act for any portion of such taxable year, and

9 “(ii) such taxpayer’s household income for such taxable year is projected to not
10 exceed 138 percent of the poverty line for a family of the size involved,

11 subsection (f)(2)(A) shall not apply to such taxpayer for such taxable year and such
12 taxpayer shall not be required to file such return of tax.

13 “(C) INFORMATION PROVIDED BY EXCHANGE.—The information required to be
14 provided by an Exchange to the Secretary and to the taxpayer under subsection (f)(3)
15 shall include such information as is necessary to determine whether such Exchange has
16 made the determinations described in clauses (i) and (ii) of subparagraph (B) with
17 respect to such taxpayer.”.

18 (b) Employer Shared Responsibility Provision Not Applicable With Respect to Certain
19 Low-income Taxpayers Receiving Premium Assistance.—Section 4980H(c)(3) is amended to
20 read as follows:

21 “(3) APPLICABLE PREMIUM TAX CREDIT AND COST-SHARING REDUCTION.—

22 “(A) IN GENERAL.—The term ‘applicable premium tax credit and cost-sharing
23 reduction’ means—

24 “(i) any premium tax credit allowed under section 36B,

25 “(ii) any cost-sharing reduction under section 1402 of the Patient Protection
26 and Affordable Care Act, and

27 “(iii) any advance payment of such credit or reduction under section 1412 of
28 such Act.

29 “(B) EXCEPTION WITH RESPECT TO CERTAIN LOW-INCOME TAXPAYERS.—Such term
30 shall not include any premium tax credit, cost-sharing reduction, or advance payment
31 otherwise described in subparagraph (A) if such credit, reduction, or payment is
32 allowed or paid for a taxable year of an employee (beginning after December 31, 2021,
33 and before January 1, 2026) with respect to which—

34 “(i) an Exchange established under title I of the Patient Protection and
35 Affordable Care Act has determined that such employee’s household income for
36 such taxable year is projected to not exceed 138 percent of the poverty line for a
37 family of the size involved, or

38 “(ii) such employee’s household income for such taxable year does not exceed
39 138 percent of the poverty line for a family of the size involved.”.

40 (c) Effective Date.—The amendments made by this section shall apply to taxable years

1 beginning after December 31, 2021.

2 **SEC. 137305. SPECIAL RULE FOR INDIVIDUALS** 3 **RECEIVING UNEMPLOYMENT COMPENSATION.**

4 (a) Extension.—Section 36B(g)(1) is amended by striking “during 2021,” and inserting “after
5 December 31, 2020, and before January 1, ~~2026~~ **2023**,”.

6 (b) Modification of Income Not Taken Into Account.—Section 36B(g)(1)(B) is amended by
7 striking “133 percent” and inserting “150 ~~percent~~” **percent (133 percent in the case of any**
8 **week beginning during 2021)”**.

9 (c) Conforming Amendment.—Section 36B(g) by inserting “Through ~~2025~~ **2022**” after
10 “2021” in the heading thereof.

11 (d) Effective Date.—The amendments made by this section shall apply to taxable years
12 beginning after December 31, 2021.

13 **SEC. 137306. PERMANENT CREDIT FOR HEALTH** 14 **INSURANCE COSTS.**

15 (a) In General.—Subparagraph (B) of section 35(b)(1) of the Internal Revenue Code of 1986
16 is amended by striking “, and before January 1, 2022” and inserting a period.

17 (b) Increase in Credit Percentage.—Subsection (a) of section 35 of the Internal Revenue Code
18 of 1986 is amended by striking “72.5 percent” and inserting “80 percent”.

19 (c) Conforming Amendments.—Subsections (b) and (e)(1) of section 7527 of the Internal
20 Revenue Code of 1986 are each amended by striking “72.5 percent” and inserting “80 percent”.

21 (d) Effective Date.—The amendments made by this section shall apply to coverage months
22 beginning after December 31, 2021.

23 **SEC. 137307. EXCLUSION OF CERTAIN DEPENDENT** 24 **INCOME FOR PURPOSES OF PREMIUM TAX CREDIT.**

25
26 ~~* 6 (a) In General.—Section 36B(d)(2), as amended by the preceding provisions of this Act, is~~
27 ~~further amended by adding at the end the following new subparagraph:~~

28 **(a) In General.—Paragraph (2) of section 36B(d) of the Internal Revenue Code of 1986,**
29 **as amended by this Act, is further amended by adding at the end the following new**
30 **subparagraph:**

31 **“(D) EXCEPTION FOR CERTAIN DEPENDENT INCOME.—**

32 **“(i) IN GENERAL.—THERE GENERAL.—Solely for purposes of determining**
33 **the credit under this section and eligibility for cost sharing reductions under**
34 **section 1402 of the Patient Protection and Affordable Care Act, and not for**
35 **any other purpose (including any determination of income for purposes of**
36 **the programs established under titles XIX and XXI of the Social Security Act**
37 **and section 1331 of the Patient Protection and Affordable Care Act), there**

1 shall not be taken into account under subparagraph (A)(ii) the modified adjusted
2 gross income of any dependent of the taxpayer who has not attained age 24 as of
3 the last day of the calendar year in which the taxable year of the taxpayer begins.

4 “(ii) LIMITATION.—Clause (i) shall not apply to so much of the aggregate of the
5 modified adjusted gross income of all dependents of the taxpayer who have not
6 attained the age described in such clause as exceeds \$3,500.

7 “(iii) ELECTION TO HAVE SUBPARAGRAPH NOT APPLY.—In the case of any
8 taxable year beginning after December 31, 2025, a taxpayer may elect (at such
9 time and in such manner as the Secretary may provide) to have this subparagraph
10 not apply with respect to the income of any dependent of the taxpayer for such
11 taxable year.

12 “(iv) ADJUSTMENT FOR INFLATION.—In the case of any taxable year beginning
13 after December 31, 2023, the \$3,500 amount in clause (ii) shall be increased by an
14 amount equal to—

15 “(I) such amount, multiplied by

16 “(II) the cost-of-living adjustment determined under section 1(f)(3) for the
17 calendar year in which the taxable year begins, determined by substituting
18 ‘calendar year 2022’ for ‘calendar year 2016’ in subparagraph (A)(ii)
19 thereof.

20 If any increase determined under the preceding sentence is not a multiple of \$100,
21 such increase shall be rounded to the next lowest multiple of \$100.”

22 **\$100.**

23 “(v) TERMINATION.—This subparagraph shall not apply to taxable years
24 beginning after December 31, 2026.”

25 (b) Conforming Amendments.—

26 (1) ~~Section 36B(d)(2)(A)(ii)~~ **Clause (ii) of section 36B(d)(2)(A) of the Internal**
27 **Revenue Code of 1986** is amended by inserting “, except as provided in subparagraph (D),”
28 after “individuals”.

29 (2) ~~Section 1411(b)(3)~~ **Paragraph (3) of section 1411(b)** of the Patient Protection and
30 Affordable Care Act (42 U.S.C. 18081) is amended by adding at the end the following new
31 subparagraph:

32 “(D) INFORMATION REGARDING CERTAIN ~~DEPENDENTS.~~ ~~INFORMATION~~
33 **DEPENDENTS.**—**In the case of taxable years beginning before January 1, 2027,**
34 **information** regarding whether section 36B(d)(2)(D) will apply to any individuals
35 taken into account as members of the household of the enrollee, and the amount of
36 income of each such individual for the taxable year described in subparagraph (A).”

37 (c) Effective Date.—The amendments made by this section shall apply to ~~credits allowed~~
38 ~~under section 36B of the Internal Revenue Code of 1986 for, and advance payments of credits~~
39 ~~under section 1412 of the Patient Protection and Affordable Care Act with respect to, taxable~~
40 ~~years beginning after December 31, 2022.~~ **taxable years beginning after December 31, 2022.**

1 **SEC. 137308. REQUIREMENTS WITH RESPECT TO**
2 **COST-SHARING FOR CERTAIN INSULIN PRODUCTS.**

3 (a) In General.—Subchapter B of chapter 100 is amended by adding at the end the
4 following new section:

5 **“SEC. 9826. REQUIREMENTS WITH RESPECT TO**
6 **COST-SHARING FOR CERTAIN INSULIN PRODUCTS.**

7 “(a) In General.—For plan years beginning on or after January 1, 2023, a group health
8 plan shall provide coverage of selected insulin products, and with respect to such products,
9 shall not—

10 “(1) apply any deductible; or

11 “(2) impose any cost-sharing in excess of the lesser of, per 30-day supply—

12 “(A) \$35; or

13 “(B) the amount equal to 25 percent of the negotiated price of the selected
14 insulin product net of all price concessions received by or on behalf of the plan,
15 including price concessions received by or on behalf of third-party entities
16 providing services to the plan, such as pharmacy benefit management services.

17 “(b) Definitions.—In this section:

18 “(1) SELECTED INSULIN PRODUCTS.—The term ‘selected insulin products’ means at
19 least one of each dosage form (such as vial, pump, or inhaler dosage forms) of each
20 different type (such as rapid-acting, short-acting, intermediate-acting, long-acting,
21 ultra long-acting, and premixed) of insulin (as defined below), when available, as
22 selected by the group health plan.

23 “(2) INSULIN DEFINED.—The term ‘insulin’ means insulin that is licensed under
24 subsection (a) or (k) of section 351 of the Public Health Service Act (42 U.S.C. 262) and
25 continues to be marketed under such section, including any insulin product that has
26 been deemed to be licensed under section 351(a) of such Act pursuant to section
27 7002(e)(4) of the Biologics Price Competition and Innovation Act of 2009 (Public Law
28 111–148) and continues to be marketed pursuant to such licensure.

29 “(c) Out-of-network Providers.—Nothing in this section requires a plan that has a
30 network of providers to provide benefits for selected insulin products described in this
31 section that are delivered by an out-of-network provider, or precludes a plan that has a
32 network of providers from imposing higher cost-sharing than the levels specified in
33 subsection (a) for selected insulin products described in this section that are delivered by an
34 out-of-network provider.

35 “(d) Rule of Construction.—Subsection (a) shall not be construed to require coverage of,
36 or prevent a group health plan from imposing cost-sharing other than the levels specified in
37 subsection (a) on, insulin products that are not selected insulin products, to the extent that
38 such coverage is not otherwise required and such cost-sharing is otherwise permitted under
39 Federal and applicable State law.

1 “(e) Application of Cost-sharing Towards Deductibles and Out-of-pocket
2 Maximums.—Any cost-sharing payments made pursuant to subsection (a)(2) shall be
3 counted toward any deductible or out-of-pocket maximum that applies under the plan.”.

4 (b) Clerical Amendment.—The table of sections for subchapter B of chapter 100 is
5 amended by adding at the end the following new item:

6 “Sec.9826.Requirements with respect to cost-sharing for certain insulin products.”.

7 **SEC. 137309. OVERSIGHT OF PHARMACY BENEFIT**
8 **MANAGER SERVICES.**

9 (a) In General.—Subchapter B of chapter 100 of the Internal Revenue Code of 1986, as
10 amended by the preceding provisions of this Act, is further amended by adding at the end
11 the following:

12 **“SEC. 9827. OVERSIGHT OF PHARMACY BENEFIT**
13 **MANAGER SERVICES.**

14 “(a) In General.—For plan years beginning on or after January 1, 2023, a group health
15 plan or an entity or subsidiary providing pharmacy benefits management services on
16 behalf of such a plan shall not enter into a contract with a drug manufacturer, distributor,
17 wholesaler, subcontractor, rebate aggregator, or any associated third party that limits the
18 disclosure of information to plan sponsors in such a manner that prevents the plan, or an
19 entity or subsidiary providing pharmacy benefits management services on behalf of a plan,
20 from making the reports described in subsection (b).

21 “(b) Reports.—

22 “(1) IN GENERAL.—For plan years beginning on or after January 1, 2023, not less
23 frequently than once every 6 months, an entity providing pharmacy benefits
24 management services on behalf of a group health plan shall submit to the plan sponsor
25 (as defined in section 3(16)(B) of the Employee Retirement Income Security Act of
26 1974) of such group health plan a report in accordance with this subsection and make
27 such report available to the plan sponsor in a machine-readable format. Each such
28 report shall include, with respect to the applicable group health plan—

29 “(A) as applicable, information collected from drug manufacturers by such
30 entity on the total amount of copayment assistance dollars paid, or copayment
31 cards applied, that were funded by the drug manufacturer with respect to the
32 participants and beneficiaries in such plan;

33 “(B) a list of each drug covered by such plan or entity providing pharmacy
34 benefit management services that was dispensed during the reporting period,
35 including, with respect to each such drug during the reporting period—

36 “(i) the brand name, chemical entity, and National Drug Code;

37 “(ii) the number of participants and beneficiaries for whom the drug was
38 filled during the plan year, the total number of prescription fills for the drug
39 (including original prescriptions and refills), and the total number of dosage

1 units of the drug dispensed across the plan year, including whether the
2 dispensing channel was by retail, mail order, or specialty pharmacy;

3 “(iii) the wholesale acquisition cost, listed as cost per days supply and cost
4 per pill, or in the case of a drug in another form, per dose;

5 “(iv) the total out-of-pocket spending by participants and beneficiaries on
6 such drug, including participant and beneficiary spending through
7 copayments, coinsurance, and deductibles; and

8 “(v) for any drug for which gross spending of the group health plan
9 exceeded \$10,000 during the reporting period—

10 “(I) a list of all other drugs in the same therapeutic category or class,
11 including brand name drugs and biological products and generic drugs
12 or biosimilar biological products that are in the same therapeutic
13 category or class as such drug; and

14 “(II) the rationale for preferred formulary placement of such drug in
15 that therapeutic category or class;

16 “(C) a list of each therapeutic category or class of drugs that were dispensed
17 under the health plan during the reporting period, and, with respect to each such
18 therapeutic category or class of drugs, during the reporting period—

19 “(i) total gross spending by the plan, before manufacturer rebates, fees, or
20 other manufacturer remuneration;

21 “(ii) the number of participants and beneficiaries who filled a prescription
22 for a drug in that category or class;

23 “(iii) if applicable to that category or class, a description of the formulary
24 tiers and utilization mechanisms (such as prior authorization or step
25 therapy) employed for drugs in that category or class;

26 “(iv) the total out-of-pocket spending by participants and beneficiaries,
27 including participant and beneficiary spending through copayments,
28 coinsurance, and deductibles; and

29 “(v) for each therapeutic category or class under which 3 or more drugs
30 are included on the formulary of such plan—

31 “(I) the amount received, or expected to be received, from drug
32 manufacturers in rebates, fees, alternative discounts, or other
33 remuneration—

34 “(aa) to be paid by drug manufacturers for claims incurred
35 during the reporting period; or

36 “(bb) that is related to utilization of drugs, in such therapeutic
37 category or class;

38 “(II) the total net spending, after deducting rebates, price concessions,
39 alternative discounts or other remuneration from drug manufacturers,
40 by the health plan on that category or class of drugs; and

1 **“(III) the net price per course of treatment or single fill, such as a**
2 **30-day supply or 90-day supply, incurred by the health plan and its**
3 **participants and beneficiaries, after manufacturer rebates, fees, and**
4 **other remuneration for drugs dispensed within such therapeutic**
5 **category or class during the reporting period;**

6 **“(D) total gross spending on prescription drugs by the plan during the**
7 **reporting period, before rebates and other manufacturer fees or remuneration;**

8 **“(E) total amount received, or expected to be received, by the health plan in**
9 **drug manufacturer rebates, fees, alternative discounts, and all other**
10 **remuneration received from the manufacturer or any third party, other than the**
11 **plan sponsor, related to utilization of drug or drug spending under that health**
12 **plan during the reporting period;**

13 **“(F) the total net spending on prescription drugs by the health plan during the**
14 **reporting period; and**

15 **“(G) amounts paid directly or indirectly in rebates, fees, or any other type of**
16 **remuneration to brokers, consultants, advisors, or any other individual or firm**
17 **who referred the group health plan’s business to the pharmacy benefit manager.**

18 **“(2) PRIVACY REQUIREMENTS.—Entities providing pharmacy benefits management**
19 **services on behalf of a group health plan shall provide information under paragraph**
20 **(1) in a manner consistent with the privacy, security, and breach notification**
21 **regulations promulgated under section 264(c) of the Health Insurance Portability and**
22 **Accountability Act of 1996, and shall restrict the use and disclosure of such**
23 **information according to such privacy regulations.**

24 **“(3) DISCLOSURE AND REDISCLOSURE.—**

25 **“(A) LIMITATION TO BUSINESS ASSOCIATES.—A group health plan receiving a**
26 **report under paragraph (1) may disclose such information only to business**
27 **associates of such plan as defined in section 160.103 of title 45, Code of Federal**
28 **Regulations (or successor regulations).**

29 **“(B) CLARIFICATION REGARDING PUBLIC DISCLOSURE OF**
30 **INFORMATION.—Nothing in this section prevents an entity providing pharmacy**
31 **benefits management services on behalf of a group health plan from placing**
32 **reasonable restrictions on the public disclosure of the information contained in a**
33 **report described in paragraph (1), except that such entity may not restrict**
34 **disclosure of such report to the Department of Health and Human Services, the**
35 **Department of Labor, or the Department of the Treasury.**

36 **“(C) LIMITED FORM OF REPORT.—The Secretary shall define through**
37 **rulemaking a limited form of the report under paragraph (1) required of plan**
38 **sponsors who are drug manufacturers, drug wholesalers, or other direct**
39 **participants in the drug supply chain, in order to prevent anti-competitive**
40 **behavior.**

41 **“(4) REPORT TO GAO.—An entity providing pharmacy benefits management services**
42 **on behalf of a group health plan shall submit to the Comptroller General of the United**

1 States each of the first 4 reports submitted to a plan sponsor under paragraph (1) with
2 respect to such plan, and other such reports as requested, in accordance with the
3 privacy requirements under paragraph (2) and the disclosure and redisclosure
4 standards under paragraph (3), and such other information that the Comptroller
5 General determines necessary to carry out the study under section 30606(b) of an Act
6 to provide for reconciliation pursuant to title II of S. Con. Res. 14.

7 **“(c) Enforcement.—**

8 **“(1) IN GENERAL.—**The Secretary, in consultation with the Secretary of Labor and
9 the Secretary of Health and Human Services, shall enforce this section.

10 **“(2) FAILURE TO PROVIDE TIMELY INFORMATION.—**An entity providing pharmacy
11 benefit management services that violates subsection (a) or fails to provide
12 information required under subsection (b), or a drug manufacturer that fails to
13 provide information under subsection (b)(1)(A) in a timely manner, shall be subject to
14 a civil monetary penalty in the amount of \$10,000 for each day during which such
15 violation continues or such information is not disclosed or reported.

16 **“(3) FALSE INFORMATION.—**An entity providing pharmacy benefit management
17 services, or drug manufacturer that knowingly provides false information under this
18 section shall be subject to a civil money penalty in an amount not to exceed \$100,000
19 for each item of false information. Such civil money penalty shall be in addition to
20 other penalties as may be prescribed by law.

21 **“(4) PROCEDURE.—**The provisions of section 1128A of the Social Security Act, other
22 than subsection (a) and (b) and the first sentence of subsection (c)(1) of such section
23 shall apply to civil monetary penalties under this subsection in the same manner as
24 such provisions apply to a penalty or proceeding under section 1128A of the Social
25 Security Act.

26 **“(5) WAIVERS.—**The Secretary may waive penalties under paragraph (2), or extend
27 the period of time for compliance with a requirement of this section, for an entity in
28 violation of this section that has made a good-faith effort to comply with this section.

29 **“(d) Rule of Construction.—**Nothing in this section shall be construed to permit a group
30 health plan or other entity to restrict disclosure to, or otherwise limit the access of, the
31 Department of the Treasury to a report described in subsection (b)(1) or information
32 related to compliance with subsection (a) by such plan or entity.

33 **“(e) Definition.—**In this section, the term ‘wholesale acquisition cost’ has the meaning
34 given such term in section 1847A(c)(6)(B) of the Social Security Act.”.

35 **(b) Clerical Amendment.—**The table of sections for subchapter B of chapter 100 of the
36 Internal Revenue Code of 1986, as amended by the preceding provisions of this Act, is
37 further amended by adding at the end the following new item:

38 **“Sec.9827.Oversight of pharmacy benefit manager services.”.**

39 **PART 4—PATHWAY TO PRACTICE TRAINING**
40 **PROGRAMS**

1 SEC. 137401. ADMINISTRATIVE FUNDING OF THE
2 RURAL AND UNDERSERVED PATHWAY TO PRACTICE
3 TRAINING PROGRAMS FOR POST-BACCALAUREATE
4 STUDENTS, MEDICAL STUDENTS, AND MEDICAL
5 RESIDENTS.

6 ~~The Secretary shall provide for the transfer of \$6,000,000 from the Hospital Insurance Trust-~~
7 ~~Fund established under section 1817 of the Social Security Act (42 U.S.C. 1395i) and the Federal~~
8 ~~Supplementary Medical Insurance Trust Fund under section 1841 of such Act (42 U.S.C. 1395t)~~
9 **In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal**
10 **year 2022, out of any money in the Treasury not otherwise appropriated, \$6,000,000 to**
11 **remain available until September 30, 2031**, in addition to amounts otherwise available, to
12 carry out the administration of the Rural and Underserved Pathway to Practice Training Program
13 for Post-Baccalaureate and Medical Students under section 1899C of such Act (42 U.S.C.
14 1395mmm) and the Rural and Underserved Pathway to Practice Training Programs for Medical
15 Residents under section 1886(h)(4)(H)(vii) of such Act (42 U.S.C. 1395ww(h)(4)(H)(vii)).
16 Amounts transferred under the preceding sentence shall remain available until expended.

17 SEC. 137402. ESTABLISHING RURAL AND
18 UNDERSERVED PATHWAY TO PRACTICE TRAINING
19 PROGRAMS FOR POST-BACCALAUREATE STUDENTS
20 AND MEDICAL STUDENTS.

21 (a) Program.—

22 (1) IN GENERAL.—Title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) is
23 amended by adding at the end the following new section:

24 “SEC. 1899C. RURAL AND UNDERSERVED PATHWAY
25 TO PRACTICE TRAINING PROGRAM FOR
26 POST-BACCALAUREATE AND MEDICAL STUDENTS.

27 “(a) In General.—Not later than October 1, 2023, the Secretary shall, subject to the succeeding
28 provisions of this section, carry out the ‘Rural and Underserved Pathway to Practice Training
29 Program for Post-Baccalaureate and Medical Students’ (in this section, referred to as the
30 ‘Program’) under which the Secretary awards Pathway to Practice medical scholarship vouchers
31 to qualifying students described in subsection (b) for the purpose of increasing the number of
32 physicians practicing in rural and underserved communities.

33 “(b) Qualifying Student Described.—For purposes of this section, a qualifying student
34 described in this subsection is an individual who—

35 “(1) attests he or she—

36 “(A) is or will be a first-generation student of a 4-year college, graduate school, or
37 professional school;

1 “(B) was a Pell Grant recipient; or
2 “(C) lived in a medically underserved area, rural area, or health professional
3 shortage area for a period of 4 or more years prior to attending an undergraduate
4 program;
5 “(2) has accepted enrollment in—
6 “(A) a post-baccalaureate program that is not more than 2 years and intends to enroll
7 in a qualifying medical school within 2 years after completion of such program; or
8 “(B) a qualifying medical school;
9 “(3) will practice medicine in a health professional shortage area, medically underserved
10 area, public hospital, rural area, or as required under subsection (d)(5); and
11 “(4) submits an application and a signed copy of the agreement described under
12 subsection (c).
13 “(c) Applications.—
14 “(1) IN GENERAL.—To be eligible to receive a Pathway to Practice medical scholarship
15 voucher under this section, a qualifying student described in subsection (b) shall submit to
16 the Secretary an application at such time, in such manner, and containing such information
17 as the Secretary may require.
18 “(2) INFORMATION TO BE INCLUDED.—As a part of the application described in paragraph
19 (1), the Secretary shall include a notice of the items which are required to be agreed to
20 under subsection ~~(d)(4)~~(d)(5) for the purpose of notifying the qualifying student of the
21 terms of the Rural and Underserved Pathway to Practice Training Program for
22 Post-Baccalaureate and Medical Students.
23 “(d) Pathway to Practice Medical Scholarship Voucher Details.—
24 “(1) NUMBER.—On an annual basis, the Secretary shall award a Pathway to Practice
25 medical scholarship voucher under the Program to 1,000 qualifying students described in
26 subsection (b).
27 “(2) PRIORITIZATION CRITERIA.—In determining whether to award a Pathway to Practice
28 medical scholarship voucher under the Program to qualifying students described in
29 subsection (b), the Secretary shall prioritize applications from any such student who attests
30 that he or she—
31 “(A) was a participant in the Health Resources and Services Administration Health
32 Careers Opportunity Program, Centers of Excellence Program, or an Area Health
33 Education Center program;
34 “(B) is a disadvantaged student (as defined by the National Health Service Corps of
35 the Health Resources & Services Administration of the Department of Health and
36 Human Services); or
37 “(C) attended a historically black college or other minority serving institution (as
38 defined in section 1067q of title 20, United States Code).
39 “(3) DURATION.—Each Pathway to Practice medical scholarship voucher awarded to a
40 qualifying student pursuant to paragraph (1) shall be so awarded to such a student on an

1 annual basis for each year of enrollment in a post-baccalaureate program and a qualifying
2 medical school (as appropriate).

3 “(4) AMOUNT.—Subject to paragraph (5), each Pathway to Practice medical scholarship
4 voucher awarded under the Program shall include amounts for—

5 “(A) tuition;

6 “(B) academic fees (as determined by the qualifying medical school);

7 “(C) required textbooks and equipment;

8 “(D) a monthly stipend equal to the amount provided for individuals under the
9 health professions scholarship and financial assistance program for active service
10 stipend monthly rate; and

11 “(E) any other educational expenses normally incurred by students at the
12 post-baccalaureate program or qualifying medical school (as appropriate).

13 “(5) REQUIRED AGREEMENT.—No amounts under paragraph (4) may be provided **to** a
14 qualifying student awarded a Pathway to Practice medical scholarship voucher under the
15 Program unless the qualifying student submits to the Secretary an agreement to—

16 “(A) complete a post-baccalaureate program that is not more than 2 years (if
17 applicable pursuant to the option under subsection (b)(2)(A));

18 “(B) graduate from a qualifying medical school;

19 “(C) complete a residency program in an approved residency training program (as
20 defined in section 1886(h)(5)(A));

21 “(D) complete an initial residency period or the period of board eligibility;

22 “(E) practice medicine for at least the number of years of the Pathway to Practice
23 medical scholarship voucher awarded under paragraph (2) after a residency program in
24 a health professional shortage area, a medically underserved area, a public hospital, or
25 a rural area, and during such period annually submit documentation with respect to
26 whether the qualifying student practices medicine in such an area and where;

27 “(F) for the purpose of determining compliance with subparagraph (E), not later than
28 180 days after the date on which qualifying student completes a residency program,
29 provide to the Secretary information with respect to where the qualifying student is
30 practicing medicine following the period described in such subparagraph;

31 “(G) except in the case of a waiver for hardship pursuant to section 1892(f)(3), be
32 liable to the United States pursuant to section 1892 for any amounts received under this
33 Program that is determined a past-due obligation under subsection (b)(3) of such
34 section in the case qualifying student fails to complete all of the requirements of this
35 agreement under this subsection; and

36 “(H) for the purpose of determining the amount of Pathway to Practice medical
37 scholarship vouchers paid or incurred by a qualifying medical school or any provider
38 of a post-baccalaureate program referred to in subsection (b)(2)(A) for the costs of
39 ~~tuition~~ **each item specified** under paragraph (4)~~(A)~~, consent to any personally
40 identifying information being shared with the Secretary of the Treasury.

1 “(6) RESPONSIBILITIES OF PARTICIPATING EDUCATIONAL INSTITUTIONS.—Each annual
2 award of an amount of Pathway to Practice medical scholarship voucher under paragraph
3 (2) shall be made with respect to a specific qualifying medical school or to a
4 post-baccalaureate program that is not more than 2 years and such school or program shall
5 (as a condition of, and prior to, such award being made with respect to such school or
6 program)—

7 “(A) submit to the Secretary such information as the Secretary may require to
8 determine the amount of such award on the basis of the costs of the ~~costs of the items~~
9 specified under paragraph (4) (except for subparagraph (D)) with respect to such
10 school or program, and

11 “(B) enter into an agreement with the Secretary under which such school or ~~provider~~
12 **program** will verify (in such manner as the Secretary may provide) that amounts paid
13 by such school or ~~provider~~ **program** to the qualifying student are used for such costs.

14 “(e) Definitions.—In this section:

15 “(1) HEALTH PROFESSIONAL SHORTAGE AREA.—The term ‘health professional shortage
16 area’ has the meaning given such term in subparagraphs (A) or (B) of section 332(a)(1) of
17 the Public Health Service Act.

18 “(2) INITIAL RESIDENCY PERIOD.—The term ‘initial residency period’ has the meaning
19 given such term in section 1886(h)(5)(F).

20 “(3) MEDICALLY UNDERSERVED AREA.—The term ‘medically underserved area’ means an
21 area designated pursuant to section 330(b)(3)(A) of the Public Health Service Act.

22 “(4) PELL GRANT RECIPIENT.—The term ‘Pell Grant recipient’ has the meaning given such
23 term in section 322(3) of the Higher Education Act of 1965.

24 “(5) PERIOD OF BOARD ELIGIBILITY.—The term ‘period of board eligibility’ has the
25 meaning given such term in section 1886(h)(5)(G).

26 “(6) QUALIFYING MEDICAL SCHOOL.—The term ‘qualifying medical school’ means a
27 school of medicine accredited by the Liaison Committee on Medical Education of the
28 American Medical Association and the Association of American Medical Colleges (or
29 approved by such Committee as meeting the standards necessary for such accreditation) or a
30 school of osteopathy accredited by the American Osteopathic Association, or approved by
31 such Association as meeting the standards necessary for such accreditation which—

32 “(A) for each academic year, enrolls at least 10 qualifying students who are in
33 enrolled in such a school;

34 “(B) requires qualifying students to enroll in didactic coursework and clinical
35 experience applicable to practicing medicine in health professional shortage areas,
36 medically underserved areas, or rural areas, including—

37 “(i) clinical rotations in such areas in applicable specialties (as applicable and
38 as available);

39 “(ii) coursework or training experiences “focused on medical issues prevalent in
40 such areas and cultural or structural competency; and

1 “(C) is located in a State (as defined in section 210(h)).

2 “(7) RURAL AREA.—The term ‘rural area’ has the meaning given such term in section
3 1886(d)(2)(D).

4 “(f) Penalty for False Information.—Any person who knowingly and willfully obtains by
5 fraud, false statement, or forgery, or fails to refund any funds, assets, or property provided under
6 this section or attempts to so obtain by fraud, false statement or forgery, or fail to refund any
7 funds, assets, or property, received pursuant to this section shall be fined not more than \$20,000
8 or imprisoned for not more than 5 years, or both.”.

9 (2) AGREEMENTS.—Section 1892 of the Social Security Act (42 U.S.C. 1395ccc) is
10 amended—

11 (A) in subsection (a)(1)(A)—

12 (i) by striking “, or the” and inserting “, the”; and

13 (ii) by inserting “or the Rural and Underserved Pathway to Practice Training
14 Program for Post- Baccalaureate and Medical Students under section 1899C”
15 before “, owes a past-due obligation”;

16 (B) in subsection (b)—

17 (i) in paragraph (1), by striking at the end “or”;

18 (ii) in paragraph (2), by striking the period at the end and inserting “; or”; and

19 (iii) by adding the end the following new paragraph:

20 “(3) subject to subsection (f), owed by an individual to the United States by breach of an
21 agreement under section 1899C(c) and which payment has not been paid by the individual
22 for any amounts received under the Rural and Underserved Pathway to Practice Training
23 Program for Post-Baccalaureate and Medical Students (and accrued interest determined in
24 accordance with subsection (f)(4)) in the case such individual fails to complete the
25 requirements of such agreement.”; and

26 (C) by adding at the end the following new subsection:

27 “(f) Authorities With Respect to the Collection Under the Pathway to Practice Training
28 Program.—The Secretary—

29 “(1) shall require payment to the United States for any amount of damages that the
30 United States is entitled to recover under subsection (b)(3), within the 5-year period
31 beginning on the date an eligible individual fails to complete the requirements of such
32 agreement under section 1899C(d)(5) (or such longer period beginning on such date as
33 specified by the Secretary), and any such amounts not paid within such period shall be
34 subject to collection through deductions in Medicare payments pursuant to subsection (e);

35 “(2) shall allow payments described in paragraph (1) to be paid in installments over such
36 5-year period, which shall accrue interest in an amount determined pursuant to paragraph
37 (5);

38 “(3) shall waive the requirement for an individual to pay a past-due obligation under
39 subsection (b)(3) in the case of hardship (as determined by the Secretary);

1 “(4) shall not disclose any past-due obligation under subsection (b)(3) that is owed to the
2 United States to any credit reporting agency that the United States entitled to be recovered
3 the United States under this section; and

4 “(5) shall make a final determination of whether the amount of payment under section
5 1899C made to a qualifying student (as described in subsection (b) of such section) was in
6 excess of or less than the amount of payment that is due, and payment of such excess or
7 deficit is not made (or effected by offset) within 90 days of the date of the determination,
8 and interest shall accrue on the balance of such excess or deficit not paid or offset (to the
9 extent that the balance is owed by or owing to the provider) at a rate determined in
10 accordance with the regulations of the Secretary of the Treasury applicable to charges for
11 late payments.”.

12 **SEC. 137403. FUNDING FOR THE RURAL AND**
13 **UNDERSERVED PATHWAY TO PRACTICE TRAINING**
14 **PROGRAMS FOR POST-BACCALAUREATE STUDENTS**
15 **AND MEDICAL STUDENTS.**

16 (a) In General.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue
17 Code of 1986, as amended by the preceding provisions of this Act, is amended by inserting after
18 section 36F the following new section:

19 **“SEC. 36G. PATHWAY TO PRACTICE MEDICAL**
20 **SCHOLARSHIP VOUCHER CREDIT.**

21 “(a) In General.—In the case of a qualified educational institution, there shall be allowed as a
22 credit against the tax imposed by this subtitle for any taxable year an amount equal to the
23 aggregate amount paid or incurred by such institution during such taxable year pursuant to any
24 Pathway to Practice medical scholarship voucher awarded to a qualifying student with respect to
25 such institution.

26 “(b) Determination of Amounts Paid Pursuant to Qualified Scholarship Vouchers, etc.—For
27 purposes of this section—

28 “(1) an amount shall be treated as paid or incurred pursuant to an annual award of a
29 Pathway to Practice medical scholarship voucher only if such amount is paid or incurred in
30 reimbursement, or anticipation of, an expense described in subparagraphs (A) through (E)
31 of paragraph (4) of section 1899C(d) of the Social Security Act and is subject to verification
32 in such manner as the Secretary of Health and Human Services may provide under
33 paragraph (6) of such section, and

34 “(2) in the case of any amount credited by a qualified educational institution against a
35 liability owed by the qualifying student to such institution, such amount shall be treated as
36 paid by such institution to such student as of the date that such liability would otherwise be
37 due.

38 “(c) Definitions.—For purposes of this section—

39 “(1) **QUALIFIED EDUCATIONAL INSTITUTION.**—The term ‘qualified educational institution’

1 means, with respect to any annual award of a Pathway to Practice medical scholarship
2 voucher—

3 “(A) any qualifying medical school (as defined in subsection (e)(6) of section 1899C
4 of the Social Security Act), and

5 “(B) any provider of a post-baccalaureate program referred to in subsection
6 (b)(2)(A) of such section,

7 which meets the requirements of subsection (d)(6) of such section.

8 “(2) QUALIFYING STUDENT.—The term ‘qualifying student’ means any student to whom
9 the Secretary of Health and Human Services has made an annual award of a Pathway to
10 Practice medical scholarship voucher under section 1899C of the Social Security Act.

11 “(3) ANNUAL AWARD OF A PATHWAY TO PRACTICE MEDICAL SCHOLARSHIP
12 VOUCHER.—The term ‘annual award of a Pathway to Practice medical scholarship voucher’
13 means the annual award of a Pathway to Practice medical scholarship voucher referred to in
14 section 1899C(d)(3) of the Social Security Act.

15 “(d) Coordination of Academic and Taxable Years.—The credit allowed under subsection (a)
16 with respect to any Pathway to Practice medical scholarship voucher shall not exceed the amount
17 of such voucher which is for expenses described in subparagraphs (A) through (E) of section
18 1899C(d)(4) of the Social Security Act, reduced by any amount of such voucher with respect to
19 which credit was allowed under this section for any prior taxable year.

20 “(e) Regulations.—The Secretary shall issue such regulations or other guidance as are
21 necessary or appropriate to carry out the purposes of this section.”.

22 (b) Conforming Amendments.—

23 (1) Section 6211(b)(4)(A), as amended by the preceding provisions of this Act, is
24 amended by inserting “36G,” after “36F,”.

25 (2) Paragraph (2) of section 1324(b) of title 31, United States Code, as amended by the
26 preceding provisions of this Act, is amended by inserting “36G,” after “36F,”.

27 (3) The table of sections for subpart C of part IV of subchapter A of chapter 1 of the
28 Internal Revenue Code of 1986, and amended by the preceding provisions of this Act, is
29 amended by inserting after the item relating to section 36F the following new item:

30 “Sec.36G.Pathway to Practice medical scholarship voucher credit.”.

31 (c) Information Sharing.—The Secretary of Health and Human Services shall annually provide
32 the Secretary of the Treasury such information regarding the program under section 1899C of the
33 Social Security Act as the Secretary of the Treasury may require to administer the tax credits
34 determined under section 36G of the Internal Revenue Code of 1986, including information to
35 identify qualifying students and the qualified educational institutions at which such students are
36 enrolled and the amount of the annual award of the Pathway to Practice medical scholarship
37 voucher awarded to each such student with respect to such institution. Terms used in this
38 subparagraph shall have the same meaning as when used ~~is in~~ such section 36G.

39 (d) Effective Date.—The amendments made by this section shall apply to taxable years ~~ending~~
40 **beginning** after the date of the enactment of this Act.

1 SEC. 137404. ESTABLISHING RURAL AND
2 UNDERSERVED PATHWAY TO PRACTICE TRAINING
3 PROGRAMS PROGRAM FOR MEDICAL RESIDENTS.

4 Section 1886 of the Social Security Act (42 U.S.C. 1395ww) is amended—

5 (1) in subsection (d)(5)(B)(v), by inserting “(h)(4)(H)(vii),” after “The provisions of
6 subsections (h)(4)(H)(vi),”; and

7 (2) in subsection (h)(4)(H), by adding at the end the following new clause:

8 “(vii) EXCLUSION FROM FULL-TIME EQUIVALENT LIMITATION FOR HOSPITALS
9 IMPLEMENTING RURAL AND UNDERSERVED PATHWAY TO PRACTICE PROGRAM
10 MEDICAL RESIDENCY TRAINING PROGRAM.—

11 “(I) IN GENERAL.—For cost reporting periods beginning on or after
12 October 1, 2026, during which a qualifying resident (as defined in subclause
13 (II)) trains in an applicable hospital ~~or hospitals~~(as defined in subclause (III))
14 ~~in an approved Rural and Underserved Pathway to Practice Medical~~
15 ~~Residency Training Program (as defined in subclause (V))~~, the Secretary
16 shall, for such cost reporting period by the number of full-time equivalent
17 residents so trained ~~under such program~~ **within the applicable hospital**
18 during such period, exclude from the limitation under subparagraph (F).

19 “(II) QUALIFYING RESIDENT.—For purposes of this clause, the term
20 ‘qualifying resident’ means a full-time equivalent resident who—

21 “(aa) was a qualifying student awarded a Pathway to Practice medical
22 scholarship voucher under section 1899C; and

23 “(bb) graduated from a qualifying medical school.

24 “(III) APPLICABLE HOSPITAL ~~OR HOSPITALS DEFINED.~~ ~~FOR HOSPITAL.~~—

25 “(aa) **IN GENERAL.**—For purposes of this clause, the term
26 ‘~~applicable hospital or hospitals~~’ **hospital**’ means any hospital that—

27 “~~(aa) has established an approved Rural and Underserved Pathway~~
28 ~~to Practice Medical Residency Training Program;~~“(AA) **meets the**
29 **requirements of item (bb);**

30 “~~(bb)~~“(BB) agrees to provide data to the Secretary with respect to
31 where ~~such~~ **qualifying residents (as defined in subclause (II))**
32 **practice medicine or participate in fellowships immediately**
33 **following their residencies; and**

34 “~~(cc)~~“(CC) agrees to promote community-based training of
35 ~~residents under such program, as appropriate.~~ **qualifying residents**
36 **(as defined in subclause (II)), as appropriate.**

37 “(IV) ~~Rural and underserved pathway to practice medical residency~~
38 ~~training program defined.~~—For purposes of this clause, the term ‘~~Rural~~
39 ~~and Underserved Pathway to Practice Medical Residency Training~~’

1 Program’ means an approved medical residency training program“(bb)
2 **OTHER REQUIREMENTS.—For the purpose of item (aa)(AA), an**
3 **applicable hospital shall also be a subsection (d) hospital** that has
4 been recognized by the Accreditation Council for Graduate Medical
5 Education as meeting the following requirements:

6 ~~“(aa)“(AA) Such program hospital~~ provides mentorships for
7 residents.

8 ~~“(bb)“(BB) Such program hospital~~ includes cultural or structural
9 competency as part of the training of residents ~~under such program..~~

10 ~~“(cc)The program“(CC) The hospital~~ has a demonstrated record
11 of training medical ~~students~~ **residents** in health professional shortage
12 areas~~(as defined in section 332(a)(1)(A) of the Public Health Service~~
13 ~~Act).~~, **medically underserved areas, public hospitals, or rural**
14 **areas.**

15 ~~“(V)“(IV) OTHER DEFINITIONS.—~~

16 ~~“(aa) HEALTH PROFESSIONAL SHORTAGE AREA.—~~The term ‘health
17 professional shortage area’ has the meaning given such term in
18 subparagraphs (A) or (B) of section 332(a)(1) of the Public Health
19 Service Act.

20 ~~“(bb) MEDICAL MEDICALLY UNDERSERVED AREA.—~~The term
21 ‘medically underserved area’ means an area designated pursuant to
22 section 330(b)(3)(A) of the Public Health Service Act.

23 ~~“(cc) QUALIFYING MEDICAL SCHOOL.—~~The term ‘qualifying medical
24 school’ has the meaning given such term in section 1899C(e)(6).

25 ~~“(dd) QUALIFYING MEDICAL STUDENT.—~~The term ‘qualifying medical
26 student’ has the meaning given such term in section 1899C(b).

27 ~~“(ee) RURAL AREA.—~~The term ‘rural area’ has the meaning given
28 such term in section 1886(d)(2)(D).”.

29 **SEC. 137405. DISTRIBUTION OF ADDITIONAL** 30 **RESIDENCY POSITIONS.**

31 **(a) In General.—**Section 1886(h) of the Social Security Act (42 U.S.C. 1395ww(h)) is
32 **amended—**

33 **(1) in paragraph (4)(F)(i), by striking “and (9)” and inserting “(9), and (10)”;**

34 **(2) in paragraph (4)(H)(i), by striking “and (9)” and inserting “(9), and (10)”;** and

35 **(3) by adding at the end the following new paragraph:**

36 **“(10) DISTRIBUTION OF ADDITIONAL RESIDENCY POSITIONS.—**

37 **“(A) ADDITIONAL RESIDENCY POSITIONS.—**

38 **“(i) IN GENERAL.—**For fiscal years 2025 and 2026, and for each succeeding

1 fiscal year until the aggregate number of full-time equivalent residency
2 positions distributed under this paragraph is equal to the aggregate number
3 of such positions made available (as specified in clause (ii)), the Secretary
4 shall, subject to the succeeding provisions of this paragraph, increase the
5 otherwise applicable resident limit for each qualifying hospital (as defined in
6 subparagraph (F)) that submits a timely application under this
7 subparagraph by such number as the Secretary may approve effective
8 beginning July 1 of the fiscal year of the increase.

9 “(ii) NUMBER AVAILABLE FOR DISTRIBUTION.—

10 “(I) TOTAL NUMBER AVAILABLE.—The aggregate number of such
11 positions made available under this paragraph shall be equal to 4,000.

12 “(II) ANNUAL LIMIT.—The aggregate number of such positions so
13 made available shall not exceed 2,000 for a fiscal year.

14 “(iii) ROUNDS OF APPLICATIONS.—The Secretary shall initiate a separate
15 round of applications for an increase under clause (i) for each fiscal year for
16 which such an increase is to be provided.

17 “(iv) DISTRIBUTION FOR PRIMARY CARE, PSYCHIATRY, AND OTHER
18 RESIDENCIES.—

19 “(I) IN GENERAL.—Except as provided under subclause (II), of the
20 positions made available under this paragraph—

21 “(aa) not less than 25 percent shall be in a primary care residency
22 (as defined in subparagraph (F)) or obstetrics and gynecology
23 residency; and

24 “(bb) not less than 15 percent shall be in a psychiatry residency
25 (as defined in such subparagraph).

26 “(II) DISTRIBUTION FOR OTHER RESIDENCIES.—The requirement under
27 subclause (I) shall not apply with respect to any positions made available
28 under this paragraph that are not distributed to a qualifying hospital by
29 July 1, 2027, and such positions shall be distributed to hospitals in
30 accordance with subparagraph (B), without regard to specialty.

31 “(v) CLARIFICATION REGARDING AVAILABILITY OF OTHER INCREASE.—A
32 qualifying hospital may apply for, and receive, an increase under this
33 paragraph and paragraph (9) for a fiscal year.

34 “(B) DISTRIBUTION.—For purposes of providing an increase in the otherwise
35 applicable resident limit under subparagraph (A), the following shall apply:

36 “(i) ELIGIBLE HOSPITALS.—With respect to the aggregate number of such
37 positions available for distribution under this paragraph, the Secretary shall
38 distribute 30 percent of such aggregate number to the category of hospitals
39 described in subclause (II) of clause (ii), 20 percent of such aggregate number
40 to each of the categories of hospitals described in subclauses (I), (III), and
41 (IV) of such clause, and 10 percent of such aggregate number to the category

1 of hospitals described in subclause (V) of such clause, subject to clauses (iii)
2 and (iv).

3 **“(ii) CATEGORIES OF HOSPITALS DESCRIBED.—The following categories of**
4 **hospitals are described in this clause:**

5 **“(I) Hospitals that are located in a rural area (as defined in subsection**
6 **(d)(2)(D)) or are treated as being located in a rural area pursuant to**
7 **subsection (d)(8)(E), hospitals that are located in a census tract assigned**
8 **a rural-urban commuting area code of 4 or greater, and hospitals that**
9 **are a sole community hospital (as defined in subsection (d)(5)(D)(iii)).**

10 **“(II) Hospitals in which the reference resident level of the hospital (as**
11 **specified in subparagraph (F)(v)) is greater than the otherwise**
12 **applicable resident limit.**

13 **“(III) Hospitals in States with—**

14 **“(aa) a new medical school that received ‘Candidate School’**
15 **status from the Liaison Committee on Medical Education or**
16 **‘Pre-Accreditation’ status from the American Osteopathic**
17 **Association Commission on Osteopathic College Accreditation on**
18 **or after January 1, 2000, and achieved or continued to progress**
19 **toward ‘Full Accreditation’ status (as such term is defined by the**
20 **Liaison Committee on Medical Education) or toward**
21 **‘Accreditation’ status (as such term is defined by the American**
22 **Osteopathic Association Commission on Osteopathic College**
23 **Accreditation); or**

24 **“(bb) an additional location or branch campus established on or**
25 **after January 1, 2000, by a medical school with ‘Full Accreditation’**
26 **status (as such term is defined by the Liaison Committee on**
27 **Medical Education) or ‘Accreditation’ status (as such term is**
28 **defined by the American Osteopathic Association Commission on**
29 **Osteopathic College Accreditation).**

30 **“(IV) Hospitals that are located in or serve an area designated as a**
31 **health professional shortage area under section 332(a)(1)(A) of the**
32 **Public Health Service Act or serve a population group designated under**
33 **section 332(a)(1)(B) of such Act, as determined by the Secretary.**

34 **“(V) Hospitals located in States in the lowest quartile for**
35 **resident-to-population ratios, as defined by the Secretary.**

36 **“(iii) DISTRIBUTION TO OTHER HOSPITALS.—Any positions made available**
37 **under this paragraph that are not distributed to a qualifying hospital in**
38 **accordance with clause (i) by July 1, 2027, shall be distributed to other**
39 **hospitals, subject to the requirement under clause (iv). In carrying out the**
40 **preceding sentence, the Secretary shall ensure that such positions are first**
41 **offered to qualifying hospitals in categories described in clause (ii) before**
42 **being distributed to other hospitals.**

1 “(iv) REQUIREMENT.—A hospital shall only be eligible to receive positions
2 made available under this paragraph if the hospital demonstrates to the
3 Secretary that the hospital is likely to—

4 “(I) fill such positions within the first 5 training years beginning after
5 the date the increase would be effective, as determined by the Secretary;
6 and

7 “(II) use some portion (as specified by the Secretary) of such positions
8 for the residencies described in (A)(iv).

9 “(C) CONDITIONS OF DISTRIBUTION.—

10 “(i) IN GENERAL.—Subject to clause (iv), a hospital that receives an
11 increase in the otherwise applicable resident limit under this paragraph shall
12 ensure, during the 5-year period beginning on the date of such increase, that
13 the numbers of full-time equivalent residents in a primary care or psychiatry
14 residency (as those terms are defined in subparagraph (F)), excluding any
15 additional positions attributable to an increase under this paragraph, are not
16 less than the average numbers of full-time equivalent residents in a primary
17 care or psychiatry residency (as so defined) during the 3 most recent cost
18 reporting periods ending prior to the date of enactment of this paragraph.

19 “(ii) REPORTING REQUIREMENTS.—Subject to clause (iv), a hospital that
20 receives an increase in the otherwise applicable resident limit under this
21 paragraph shall, after making a good faith attempt to collect information
22 from former residents, report to the Secretary in a time and manner
23 specified by the Secretary the following information for each year (beginning
24 with the first year for which the hospital receives an increase in the otherwise
25 applicable resident limit under this paragraph), as applicable:

26 “(I) Race and ethnicity of residents.

27 “(II) The practice patterns of residents one and two years after
28 completion of their residency, including the number and percent of
29 residents who—

30 “(aa) practice in a primary care, psychiatry, or other specialty;

31 “(bb) primarily serve or are located in a health professional
32 shortage area with a designation in effect under section 332 of the
33 Public Health Service Act; or

34 “(cc) primarily serve or are located in a rural area (as defined in
35 subsection (d)(2)(D)).

36 “(iii) REQUIREMENT FOR RURAL HOSPITALS TO EXPAND EXISTING
37 PROGRAMS.—Subject to clause (iv), if a hospital that receives an increase in
38 the otherwise applicable resident limit under this paragraph would be
39 eligible for an adjustment to the otherwise applicable resident limit for
40 participation in a new medical residency training program under section
41 413.79(e)(3) of title 42, Code of Federal Regulations (or any successor
42 regulation), the hospital shall ensure that any positions made available under

1 **this paragraph are used to expand an existing program of the hospital, and**
2 **not for participation in a new medical residency training program.**

3 **“(iv) REDISTRIBUTION OF POSITIONS IF HOSPITAL NO LONGER MEETS**
4 **CERTAIN REQUIREMENTS.—In the case where the Secretary determines that a**
5 **hospital that receives an increase in the otherwise applicable resident limit**
6 **under this paragraph does not meet either of the requirements under clause**
7 **(i), the reporting requirements under clause (ii), or, if applicable, the**
8 **requirement under clause (iii), the Secretary shall—**

9 **“(I) reduce the otherwise applicable resident limit of the hospital by**
10 **the amount by which such limit was increased under this paragraph;**
11 **and**

12 **“(II) provide for the distribution of positions attributable to such**
13 **reduction to other qualifying hospitals in accordance with the**
14 **requirements of this paragraph.**

15 **“(v) LIMITATION.—A hospital may not receive more than 25 additional**
16 **full-time equivalent residency positions under this paragraph.**

17 **“(D) APPLICATION OF PER RESIDENT AMOUNTS FOR PRIMARY CARE AND**
18 **NONPRIMARY CARE.—With respect to additional residency positions in a hospital**
19 **attributable to the increase provided under this paragraph, the approved FTE**
20 **per resident amounts are deemed to be equal to the hospital per resident amounts**
21 **for primary care and nonprimary care computed under paragraph (2)(D) for that**
22 **hospital.**

23 **“(E) PERMITTING FACILITIES TO APPLY AGGREGATION RULES.—The Secretary**
24 **shall permit hospitals receiving additional residency positions attributable to the**
25 **increase provided under this paragraph to, beginning in the fifth year after the**
26 **effective date of such increase, apply such positions to the limitation amount**
27 **under paragraph (4)(F) that may be aggregated pursuant to paragraph (4)(H)**
28 **among members of the same affiliated group.**

29 **“(F) DEFINITIONS.—In this paragraph:**

30 **“(i) OTHERWISE APPLICABLE RESIDENT LIMIT.—The term ‘otherwise**
31 **applicable resident limit’ means, with respect to a hospital, the limit**
32 **otherwise applicable under subparagraphs (F)(i) and (H) of paragraph (4) on**
33 **the resident level for the hospital determined without regard to this**
34 **paragraph but taking into account paragraphs (7)(A), (7)(B), (8)(A), (8)(B),**
35 **or (9)(A).**

36 **“(ii) PRIMARY CARE RESIDENCY.—The term ‘primary care residency’**
37 **means a residency training program described in paragraph (5)(H).**

38 **“(iii) PSYCHIATRY RESIDENCY.—The term ‘psychiatry residency’ means a**
39 **residency in psychiatry, addiction medicine, addiction psychiatry, pain**
40 **medicine, child and adolescent psychiatry, consultation-liaison psychiatry,**
41 **geriatric psychiatry, brain injury medicine, forensic psychiatry, hospice and**
42 **palliative medicine, and sleep medicine. Such term includes a residency in a**

1 program that is a prerequisite (as determined by the Secretary) for a
2 residency described in the preceding sentence.

3 “(iv) **QUALIFYING HOSPITAL.**—The term ‘qualifying hospital’ means a
4 hospital described in any of subclauses (I) through (V) of subparagraph
5 (B)(ii).

6 “(v) **REFERENCE RESIDENT LEVEL.**—The term ‘reference resident level’
7 means, with respect to a hospital, the resident level for the most recent cost
8 reporting period of the hospital ending on or before the date of enactment of
9 this paragraph, for which a cost report has been settled (or, if not, submitted
10 (subject to audit)), as determined by the Secretary.

11 “(vi) **RESIDENT LEVEL.**—The term ‘resident level’ has the meaning given
12 such term in paragraph (7)(C)(i).

13 “(G) **FUNDING.**—There is appropriated to the Secretary, out of any amounts in
14 the Treasury not otherwise appropriated, \$10,000,000, to remain available until
15 expended, for purposes of carrying out this paragraph and subsection
16 (d)(5)(B)(xiii).”.

17 (b) **IME.**—Section 1886(d)(5)(B) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(B))
18 is amended—

19 (1) in clause (v), in the third sentence, by striking “and (h)(9)” and inserting “(h)(9),
20 and (h)(10)”;

21 (2) by adding at the end the following new clause:

22 “(xiii) For discharges occurring on or after July 1, 2024, insofar as an additional
23 payment amount under this subparagraph is attributable to resident positions
24 distributed to a hospital under subsection (h)(10), the indirect teaching adjustment
25 factor shall be computed in the same manner as provided under clause (ii) with respect
26 to such resident positions.”.

27 PART 5—HIGHER EDUCATION

28 SEC. 137501. CREDIT FOR PUBLIC UNIVERSITY 29 RESEARCH INFRASTRUCTURE.

30 (a) **In General.**—Subpart D of part IV of subchapter A of chapter 1, as amended by the
31 preceding provisions of this Act, is amended by adding at the end the following new section:

32 “SEC. 45AA. PUBLIC UNIVERSITY RESEARCH 33 INFRASTRUCTURE CREDIT.

34 “(a) **Allowance of Credit.**—For purposes of section 38, the public university research
35 infrastructure credit determined under this section for a taxable year is an amount equal to 40
36 percent of the qualified cash contributions made by a taxpayer during such taxable year.

37 “(b) **Qualified Cash Contribution.**—

1 “(1) IN GENERAL.—

2 “(A) DEFINED.—For purposes of subsection (a), the qualified cash contribution for
3 any taxable year is the aggregate amount contributed in cash by a taxpayer during such
4 taxable year to a certified educational institution in connection with a qualifying
5 project that, but for this section, would be treated as a charitable contribution for
6 purposes of section 170(c).

7 “(B) QUALIFIED CASH CONTRIBUTIONS TAKEN INTO ACCOUNT FOR PURPOSES OF
8 CHARITABLE CONTRIBUTION LIMITATIONS.—Any qualified cash contributions made by
9 a taxpayer under this section shall be taken into account for purposes of determining
10 the percentage limitations under section 170(b).

11 “(2) DESIGNATION REQUIRED.—A contribution shall only be treated as a qualified cash
12 contribution to the extent that it is designated as such by a certified educational institution
13 under subsection (d).

14 “(c) Definitions.—For purposes of this section—

15 “(1) QUALIFYING PROJECT.—The term ‘qualifying project’ means a project to purchase,
16 construct, or improve research infrastructure property.

17 “(2) RESEARCH INFRASTRUCTURE PROPERTY.—The term ‘research infrastructure property’
18 means any portion of a property, building, or structure of an eligible educational institution,
19 or any land associated with such property, building, or structure, that is used for research.

20 “(3) ELIGIBLE EDUCATIONAL INSTITUTION.—The term ‘eligible educational institution’
21 means—

22 “(A) an institution of higher education (as such term is defined in section 101 or
23 102(c) of the Higher Education Act of 1965) that is a college or university described in
24 section 511(a)(2)(B), or

25 “(B) an organization described in section 170(b)(1)(A)(iv), section 170(b)(1)(A)(vi),
26 or section 509(a)(3) to which authority has been delegated by an institution described
27 in subparagraph (A) for purposes of applying for or administering credit amounts on
28 behalf of such institution.

29 “(4) CERTIFIED EDUCATIONAL INSTITUTION.—The term ‘certified educational institution’
30 means an eligible educational institution which has been allocated a credit amount for a
31 qualifying project and—

32 “(A) has received a certification for such project **by submitting an application as**
33 **required** under subsection (d)(2), and

34 “(B) designates credit amounts to taxpayers for qualifying cash contributions toward
35 such project under subsection (d)(4).

36 “(d) Qualifying University Research Infrastructure Program.—

37 “(1) ESTABLISHMENT.—

38 “(A) IN GENERAL.—Not later than 180 days after the date of the enactment of this
39 section, the Secretary, after consultation with the Secretary of Education, shall
40 establish a program to—

1 “(i) certify and allocate credit amounts for qualifying projects to eligible
2 educational institutions, and

3 “(ii) allow certified educational institutions to designate cash contributions for
4 qualifying projects of such certified educational institutions as qualified cash
5 contributions.

6 “(B) LIMITATIONS.—

7 “(i) ALLOCATION LIMITATION PER INSTITUTION.—The credit amounts allocated
8 to a certified educational institution under subparagraph (A)(i) for all projects
9 shall not exceed \$50,000,000 per calendar year.

10 “(ii) OVERALL ALLOCATION LIMITATION.—

11 “(I) IN GENERAL.—The total amount of qualifying project credit amounts
12 that may be allocated under subparagraph (A)(i) shall not exceed—

13 “(aa) \$500,000,000 for each of calendar years 2022, 2023, 2024,
14 2025, and 2026, and

15 “(bb) \$0 for each subsequent year.

16 “(II) ROLLOVER OF UNALLOCATED CREDIT AMOUNTS.—Any credit amounts
17 described in subclause (I) that are unallocated during a calendar year shall be
18 carried to the succeeding calendar year and added to the limitation allowable
19 under such subclause for such succeeding calendar year.

20 “(iii) DESIGNATION LIMITATION.—The aggregate amount of cash contributions
21 which are designated by a certified educational institution as qualifying cash
22 contributions with respect to any qualifying project shall not exceed 250 percent
23 of the credit amount allocated to such certified educational institution for a
24 qualifying project under subparagraph (A)(i).

25 “(2) CERTIFICATION APPLICATION.—Each eligible educational institution which applies
26 for certification of a project under this paragraph shall submit an application in such time,
27 form, and manner as the Secretary may require.

28 “(3) SELECTION CRITERIA FOR ALLOCATIONS TO ELIGIBLE EDUCATIONAL
29 INSTITUTIONS.—The Secretary, after consultation with the Secretary of Education, shall
30 select applications from eligible educational institutions—

31 “(A) based on the extent of the expected expansion of an eligible educational
32 institution’s targeted research within disciplines in science, mathematics, engineering,
33 and technology, and

34 “(B) in a manner that ensures consideration is given to eligible educational
35 institutions with full-time student populations of less than 12,000.

36 “(4) DESIGNATION OF QUALIFIED CASH CONTRIBUTIONS TO TAXPAYERS.—The Secretary,
37 after consultation with the Secretary of Education, shall establish a process by which
38 certified educational institutions shall designate cash contributions to such institutions as
39 qualified cash contributions.

40 “(5) DISCLOSURE OF ALLOCATIONS AND DESIGNATIONS.—

1 “(A) ALLOCATIONS.—The Secretary shall, upon allocating credit amounts to an
2 applicant under this subsection, publicly disclose the identity of the applicant and the
3 credit amount allocated to such applicant.

4 “(B) DESIGNATIONS.—Each certified educational institution shall, upon designating
5 contributions of a taxpayer as qualified cash contributions under this subsection,
6 publicly disclose the identity of the taxpayer and the amount of contributions
7 designated in such time, form, and manner as the Secretary may require.

8 “(e) Regulations and Guidance.—The Secretary, after consultation with the Secretary of
9 Education when applicable, shall prescribe such regulations and guidance as may be necessary or
10 appropriate to carry out the purposes of this section, including regulations or other guidance
11 for—

12 “(1) prevention of abuse,

13 “(2) establishment of reporting requirements,

14 “(3) establishment of selection criteria for applications, and

15 “(4) disclosure of allocations.

16 “(f) Penalty for Noncompliance.—

17 “(1) IN GENERAL.—If at any time during the 5-year period beginning on the date of the
18 allocation of credit amounts to a certified educational institution under subsection
19 (d)(1)(A)(i) there is a noncompliance event with respect to such credit amounts, then the
20 following rules shall apply:

21 “(A) GENERAL RULE.—Any cash contribution designated as a qualifying cash
22 contribution with respect to a qualifying project for which such credit amounts were
23 allocated under subsection (d)(1)(A)(ii) shall be treated as unrelated business taxable
24 income (as defined in section 512) of such certified educational institution.

25 “(B) RULE FOR UNUSED CREDIT AMOUNTS.—In the case of ~~unused~~ credit amounts
26 described under paragraph (2)(A) **which are unused** and identified pursuant to
27 subsection (g), the Secretary shall reallocate any portion of such ~~unused~~ credit amounts
28 **that are unused** to certified educational institutions in lieu of imposing the general
29 rule under subparagraph (A).

30 “(2) NONCOMPLIANCE EVENT.—For purposes of this subsection, the term ‘noncompliance
31 event’ means, with respect to a credit amount allocated to a certified educational
32 institution—

33 “(A) cash contributions equaling the amount of such credit amount are not
34 designated as qualifying cash contributions within 2 years after December 31 of the
35 year such credit amount is allocated,

36 “(B) a qualifying project with respect to which such credit amount was allocated is
37 not placed in service within either—

38 “(i) 4 years after December 31 of the year such credit amount is allocated, or

39 “(ii) a period of time that the Secretary determines is appropriate, or

40 “(C) the research infrastructure property placed in service as part of a qualifying

1 project with respect to which such credit amount was allocated ceases to be used for
2 research within five years after such property is placed in service.

3 “(g) Review and Reallocation of Credit Amounts.—

4 “(1) REVIEW.—Not later than 5 years after the date of enactment of this section, the
5 Secretary shall review the credit amounts allocated under this section as of such date.

6 “(2) REALLOCATION.—

7 “(A) IN GENERAL.—The Secretary may reallocate credit amounts allocated under
8 this section if the Secretary determines, as of the date of the review in paragraph (1),
9 that such credit amounts are subject to a noncompliance event.

10 “(B) ADDITIONAL PROGRAM.—If the Secretary determines that credits under this
11 section are available for reallocation pursuant to the requirements set forth in
12 subparagraph (A), the Secretary is authorized to conduct an additional program for
13 applications for certification.

14 “(C) DEADLINE FOR REALLOCATION.—The Secretary shall not certify any project, or
15 reallocate any credit amount, pursuant to this paragraph after December 31, 2031.

16 “(h) Denial of Double Benefit.—No credit or deduction shall be allowed under any other
17 provision of this chapter for any qualified cash contribution for which a credit is allowed under
18 this section.

19 “(i) Rule for Trusts and Estates.—For purposes of this section, rules similar to the rules of
20 subsection (d) of section 52 shall apply.

21 “(j) Termination.—This section shall not apply to qualified cash contributions made after
22 December 31, 2033.”.

23 (b) Credit Made Part of General Business Credit.—Subsection (b) of section 38, as amended
24 by the preceding provisions of this Act, is amended by striking “plus” at the end of paragraph
25 (41), by striking the period at the end of paragraph (42) and inserting “, plus”, and by adding at
26 the end the following new paragraph:

27 “(43) the public university research infrastructure credit determined under section
28 45AA.”.

29 (c) Clerical Amendment.—The table of sections for subpart D of part IV of subchapter A of
30 chapter 1, as amended by the preceding provisions of this Act, is amended by adding at the end
31 the following new item:

32 “Sec.45AA.Public university research infrastructure credit.”.

33 (d) Effective Date.—The amendments made by this section shall apply to qualified cash
34 contributions made after December 31, 2021.

35 ~~SEC. 137502. MODIFICATION OF EXCISE TAX ON~~
36 ~~INVESTMENT INCOME OF PRIVATE COLLEGES AND~~
37 ~~UNIVERSITIES.~~

38 ~~(a) Phaseout of Investment Income Excise Tax for Private~~

1 ~~Colleges and Universities Providing Sufficient Grants and~~
2 ~~Scholarships.— Section 4968 is amended by adding at the end~~
3 ~~the following new subsection:~~

4 ~~“(e) Phaseout for Institutions Providing Qualified Aid.—~~

5 ~~“(1) In general.— The amount of tax imposed by subsection (a)~~
6 ~~(determined without regard to this subsection) shall be reduced~~
7 ~~(but not below zero) by the amount which bears the same ratio~~
8 ~~to such amount of tax (as so determined) as—~~

9 ~~“(A) the excess (if any) of—~~

10 ~~“(i) the aggregate amount of qualified aid awards provided by~~
11 ~~the institution to its first time, full-time undergraduate students~~
12 ~~for academic periods beginning during the taxable year, over~~

13 ~~“(ii) an amount equal to 20 percent of the aggregate~~
14 ~~undergraduate tuition and fees received by the institution from~~
15 ~~first-time, full-time undergraduate students for such academic~~
16 ~~periods, bears to~~

17 ~~“(B) an amount equal to 13 percent of such aggregate~~
18 ~~undergraduate tuition and fees so received.~~

19 ~~“(2) Institution must meet reporting requirement.—~~

20 ~~“(A) In general.— Paragraph (1) shall not apply to an applicable~~
21 ~~educational institution for a taxable year unless such institution~~
22 ~~furnishes to the Secretary, and makes widely available, a~~
23 ~~statement detailing the average aggregate amount of Federal~~
24 ~~student loans received by a student for attendance at the~~
25 ~~institution, averaged among each of the following groups of~~
26 ~~first-time, full-time undergraduate students who during the~~
27 ~~taxable year completed a course of study for which the~~
28 ~~institution awarded a baccalaureate degree:~~

1 ~~“(i) All such students.~~

2 ~~“(ii) The students who have been awarded a Federal Pell Grant~~
3 ~~under subpart 1 of part A of title IV of the Higher Education Act~~
4 ~~of 1965 for attendance at the institution.~~

5 ~~“(iii) The students who received work study assistance under~~
6 ~~part C of title IV of such Act for attendance at such institution.~~

7 ~~“(iv) The students who were provided such Federal student~~
8 ~~loans.~~

9 ~~“(B) Form and manner for report. — Such statement shall be~~
10 ~~furnished at such time and in such form and manner, and made~~
11 ~~widely available, under such regulations or guidance as the~~
12 ~~Secretary may prescribe.~~

13 ~~“(C) Federal student loans. — For purposes of this paragraph, the~~
14 ~~term ‘Federal student loans’ means a loan made under part D of~~
15 ~~title IV of the Higher Education Act of 1965, except such term~~
16 ~~does not include a Federal Direct PLUS Loan made on behalf of~~
17 ~~a dependent student.~~

18 ~~“(3) Other definitions. — For purposes of this subsection —~~

19 ~~“(A) First time, full time undergraduate student. — The term~~
20 ~~‘first time, full time undergraduate student’ shall have the same~~
21 ~~meaning as when used in section 132 of the Higher Education~~
22 ~~Act of 1965.~~

23 ~~“(B) Qualified aid awards. — The term ‘qualified aid awards’~~
24 ~~means, with respect to any applicable educational institution,~~
25 ~~grants and scholarships to the extent used for undergraduate~~
26 ~~tuition and fees.~~

27 ~~“(C) Undergraduate tuition and fees. — The term ‘undergraduate~~
28 ~~tuition and fees’ means, with respect to any institution, the~~

1 ~~tuition and fees required for the enrollment or attendance of a~~
2 ~~student as an undergraduate student at the institution.”.~~

3 ~~(b) Inflation Adjustment to Per Student Asset~~
4 ~~Threshold.—Section 4968(b) is amended by adding at the end~~
5 ~~the following new paragraph:~~

6 ~~“(3) Inflation adjustment.—In the case of any taxable year~~
7 ~~beginning after 2022, the dollar amount in paragraph (1)(D)~~
8 ~~shall be increased by an amount equal to—~~

9 ~~“(A) such dollar amount, multiplied by~~

10
11 ~~* 5 “(B) the cost of living adjustment determined under section~~
12 ~~1(f)(3) for the calendar year in which the taxable year begins,~~
13 ~~determined by substituting ‘calendar year 2021’ for ‘calendar~~
14 ~~year 2016’ in subparagraph (A)(ii) thereof.~~

15 ~~If any increase determined under this paragraph is not a multiple~~
16 ~~of \$1,000, such increase shall be rounded to the nearest multiple~~
17 ~~of \$1,000.”.~~

18 ~~(c) Clarification of 500 Student Threshold.—Section~~
19 ~~4968(b)(1)(A) is amended by inserting “below the graduate~~
20 ~~level” after “500 tuition paying students”.~~

21
22 ~~* 3 (d) Effective Date.—The amendment made by this section~~
23 ~~shall apply to taxable years beginning after December 31, 2021.~~

24 **SEC. 137503 137502. TREATMENT OF FEDERAL PELL**
25 **GRANTS FOR INCOME TAX PURPOSES.**

26 (a) Exclusion From Gross Income.—Section 117(b)(1) is amended by striking “received by an
27 individual” “means any amount” and all that follows and inserting “received by an
28 individual—“means—

29 “(A) “(A) any amount received by an individual as a scholarship or fellowship

1 grant to the extent the individual establishes that, in accordance with the conditions of
2 the grant, such amount was used for qualified tuition and related expenses, ~~or~~ **and**
3 ~~“(B)–~~**“(B) any amount received by an individual after December 31, 2021, and**
4 **before January 1, 2026,** as a Federal Pell Grant under section 401 of the Higher
5 Education Act of 1965.”.

6 (b) Treatment for Purposes of American Opportunity Tax Credit and Lifetime Learning
7 Credit.—Section 25A(g)(2) is amended—

8 (1) in subparagraph (A), by inserting “described in section 117(b)(1)(A)” after “a
9 qualified scholarship”, and

10 (2) in subparagraph (C), by inserting “~~or Federal Pell Grant under section 401 of the~~
11 ~~Higher Education Act of 1965”~~ **amount described in section 117(b)(1)(B)**” after “within
12 the meaning of section 102(a)”.

13 (c) Effective Date.—The amendment made by this section shall apply to taxable years
14 beginning after December 31, 2021.

15 **SEC. ~~137504~~ 137503. REPEAL OF DENIAL OF AMERICAN**
16 **OPPORTUNITY TAX CREDIT ON BASIS OF FELONY**
17 **DRUG CONVICTION.**

18 (a) In General.—Section 25A(b)(2) is amended by striking subparagraph (D).

19 (b) Effective Date.—The amendment made by this section shall apply to taxable years
20 beginning after December 31, 2021.

21 **PART 6—DEDUCTION FOR STATE AND LOCAL**
22 **TAXES, ETC.**

23 **SEC. 137601. MODIFICATION OF LIMITATION ON**
24 **DEDUCTION FOR STATE AND LOCAL TAXES, ETC.**

25 (a) In General.—Paragraph (6) of section 164(b) is amended—

26 (1) by striking “2025” in the heading and inserting “2031”,

27 (2) by striking “January 1, 2026” and inserting “January 1, 2032”,

28 (3) in subparagraph (A), by inserting “or section 216(a)(1)” after “subsection
29 (a)(1)”, and

30 (4) in subparagraph (B)—

31 (A) by striking “\$10,000 (\$5,000 in the case of a married individual filing a
32 separate return)” and inserting “\$72,500 (\$36,250 in the case of an estate, trust, or
33 married individual filing a separate return)”, and

34 (B) by inserting “(and any tax described in any such paragraph taken into
35 account under section 216(a)(1))” after “paragraph (5) of this subsection”.

1 (b) **Effective Date.**—The amendments made by this section shall apply to taxable years
2 beginning after December 31, 2020.

3 (c) **No Inference.**—The amendments made by paragraphs (3) or (4)(B) shall not be
4 construed to create any inference with respect to the proper application of section 164(b)(6)
5 or section 216(a) with respect to any taxable year beginning before January 1, 2021.

6 **Subtitle H—Responsibly** ~~Subtitle G—Responsibly~~ Funding
7 Our Priorities

8 **SEC. 138001. AMENDMENT OF 1986 CODE.**

9 Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is
10 expressed in terms of an amendment to, or repeal of, a section or other provision, the reference
11 shall be considered to be made to a section or other provision of the Internal Revenue Code of
12 1986.

13 **PART 1—CORPORATE AND INTERNATIONAL TAX**
14 **REFORMS**

15 **Subpart A—Corporate Provisions**

16 **SEC. 138101. CORPORATE ALTERNATIVE MINIMUM**
17 **TAX.**

18 (a) **Imposition of Tax.**—

19 (1) **IN GENERAL.**—Paragraph (2) of section 55(b) is amended to read as follows:

20 “(2) **CORPORATIONS.**—

21 “(A) **APPLICABLE CORPORATIONS.**—In the case of an applicable corporation, the
22 tentative minimum tax for the taxable year shall be the excess of—

23 “(i) 15 percent of the adjusted financial statement income for the taxable year
24 (as determined under section 56A), over

25 “(ii) the corporate AMT foreign tax credit for the taxable year.

26 “(B) **OTHER CORPORATIONS.**—In the case of any corporation which is not an
27 applicable corporation, the tentative minimum tax for the taxable year shall be zero.”.

28 (2) **APPLICABLE CORPORATION.**—Section 59 is amended by adding at the end the
29 following new subsection:

30 “(k) **Applicable Corporation.**—For purposes of this part—

31 “(1) **APPLICABLE CORPORATION DEFINED.**—

32 “(A) **IN GENERAL.**—The term ‘applicable corporation’ means, **with respect to any**
33 **taxable year**, any corporation (other than an S corporation, a regulated investment
34 company, or a real estate investment trust) which, ~~for any applicable 3-taxable year~~
35 ~~period~~—

1 ~~“(i) has~~ **meets** the average annual adjusted financial statement income ~~which is~~
2 ~~greater than test of subparagraph (B) for one or more taxable years which—~~

3 **“(i) are prior to such taxable year, and**

4 **“(ii) end after December 31, 2021.**

5 **“(B) AVERAGE ANNUAL ADJUSTED FINANCIAL STATEMENT INCOME TEST.—For**
6 **purposes of this subsection—**

7 **“(i) a corporation meets the average annual adjusted financial statement**
8 **income test for any taxable year if the average annual adjusted financial**
9 **statement income of such corporation for the 3-taxable-year period ending**
10 **with such taxable year exceeds \$1,000,000,000, and**

11 **“(ii) in the case of a corporation described in paragraph (2), has an such**
12 **corporation meets the average annual adjusted financial statement income**
13 **(determined without regard to test if—**

14 **“(I) the corporation meets the requirements of clause (i) (determined**
15 **after the application of paragraph (2)) which is \$100,000,000 or more., and**

16 ~~“(B) Applicable 3-taxable year period.—For purposes of this paragraph,~~
17 ~~the term ‘applicable 3-taxable year period’ means, with respect to any~~
18 ~~corporation for any taxable year, any 3 consecutive taxable years of such~~
19 ~~corporation occurring during the period ending with the taxable year which~~
20 ~~precedes such taxable year. For purposes of the preceding sentence, only~~
21 ~~taxable years ending after December 31, 2019, shall be taken into~~
22 ~~account.”~~**“(II) the average annual adjusted financial statement income of**
23 **such corporation (determined without regard to the application of**
24 **paragraph (2)) for the 3-taxable-year-period ending with such taxable**
25 **year is \$100,000,000 or more.**

26 **“(C) EXCEPTION.—Notwithstanding subparagraph (A), the term ‘applicable**
27 **corporation’ shall not include any corporation which otherwise meets the requirements**
28 **of subparagraph (A) if—**

29 **“(i) such corporation—**

30 **“(I) has a change in ownership, or**

31 **“(II) has a consistent reduction in specified number (to be determined**
32 **by the Secretary and which shall, as appropriate, take into account the**
33 **facts and circumstances of the taxpayer) of consecutive taxable years,**
34 **including the most recent taxable year, in which the corporation does**
35 **not meet the average annual adjusted financial statement income below the**
36 **dollar amounts applicable to such corporation under subparagraph (A), test**
37 **of subparagraph (B), and**

38 **“(ii) the Secretary determines that it would not be appropriate to continue to**
39 **treat such corporation as an applicable corporation.**

40 The preceding sentence shall not apply to any corporation if, after the Secretary makes
41 the determination described in clause (ii), such corporation meets the requirements of

1 subparagraph (A) for any applicable 3 taxable year period **average annual adjusted**
2 **financial statement income test for any taxable year** beginning after the first taxable
3 year for which the determination applies.

4 “(D) SPECIAL RULES FOR DETERMINING AVERAGE ANNUAL ADJUSTED FINANCIAL
5 STATEMENT INCOME.—Solely for purposes of determining ~~the average annual adjusted~~
6 ~~financial statement income of a corporation for any period—~~ **whether a corporation**
7 **is an applicable corporation under paragraph (1)—**

8 “(i) all persons treated as a single employer under subsection (a) or (b) of
9 section 52 shall be treated as 1 person, ~~except that in applying section 1563 for~~
10 ~~purposes of section 52, the exceptions under subparagraphs (C) and (D) of section~~
11 ~~1563(b)(2) shall be disregarded, and~~

12 “(ii) in the case of a foreign corporation, only income described in ~~section~~
13 ~~56A(c)(3) and income that is, or is treated as, effectively connected with the~~
14 ~~conduct of a trade or business in the United States)~~ **paragraph (3) or (4) of**
15 **section 56A(c)** shall be taken into account.

16 “(E) OTHER SPECIAL RULES.—

17 “(i) CORPORATIONS IN EXISTENCE FOR LESS THAN 3 YEARS.—If the corporation
18 was in existence for less than 3-taxable years, subparagraph (B) shall be applied
19 ~~by substituting the number of taxable years for which the~~ **on the basis of the**
20 **period during which such** corporation was in existence ~~for ‘3’.~~

21 “(ii) SHORT TAXABLE YEARS.—Adjusted financial statement income for any
22 taxable year of less than 12 months shall be annualized by multiplying the
23 adjusted financial statement income for the short period by 12 and dividing the
24 result by the number of months in the short period.

25 “(iii) TREATMENT OF PREDECESSORS.—Any reference in this subparagraph to a
26 corporation shall include a reference to any predecessor of such corporation.

27 “(2) SPECIAL RULE FOR FOREIGN-PARENTED CORPORATIONS.—

28 “(A) IN GENERAL.—Solely for purposes of determining whether a corporation is ~~an~~
29 ~~applicable corporation under paragraph (1)~~ **meets the average annual adjusted**
30 **financial statement income test under paragraph (1)(B)(i), notwithstanding**
31 **paragraph (1)(D)(ii)**, any corporation which for any taxable year is a member of an
32 international financial reporting group the common parent of which is a foreign
33 corporation shall include in the adjusted financial statement income of such
34 corporation for such taxable year the adjusted financial statement income of all foreign
35 members of such group.

36 “(B) INTERNATIONAL FINANCIAL REPORTING GROUP.—For purposes of ~~this~~
37 subparagraph (A), the term ‘international financial reporting group’ ~~means, with~~
38 ~~respect to any reporting year, two or more entities if—~~ **shall have the meaning given**
39 **such term by section 163(n)(3).**

40 “(i) either—

41 “(I) ~~at least one entity is a foreign corporation engaged in a trade or business within the~~

1 United States, or

2 ~~“(II) at least one entity is a domestic corporation and another entity is a foreign~~
3 ~~corporation, and~~

4 ~~“(ii) such entities are included in the same applicable financial statement with respect to~~
5 ~~such year.~~

6 ~~“(3) Regulations and~~ **“(3) REGULATIONS OR OTHER GUIDANCE.**—The Secretary shall
7 provide regulations ~~and or~~ other guidance for the purposes of carrying out this subsection,
8 including regulations or other guidance—

9 “(A) providing a simplified method for determining whether a corporation meets the
10 requirements of paragraph (1), and

11 “(B) addressing the application of this subsection to a corporation that experiences
12 a change in ownership.”.

13 (3) REDUCTION FOR BASE EROSION AND ANTI-ABUSE TAX.—Section 55(a)(2) is amended
14 by inserting “plus, in the case of an applicable corporation (as defined in subsection (b)(2)),
15 the tax imposed by section 59A” before the period at the end.

16 (4) CONFORMING AMENDMENTS.—

17 (A) Section 55(a) is amended by striking “In the case of a taxpayer other than a
18 corporation, there” and inserting “There”.

19 (B)(i) Section 55(b)(1) is amended—

20 (I) by striking so much as precedes subparagraph (A) and inserting the
21 following:

22 “(1) NONCORPORATE TAXPAYERS.—In the case of a taxpayer other than a corporation—”,
23 and

24 (II) by adding at the end the following new subparagraph:

25 “(D) ALTERNATIVE MINIMUM TAXABLE INCOME.—The term ‘alternative minimum
26 taxable income’ means the taxable income of the taxpayer for the taxable year—

27 “(i) determined with the adjustments provided in section 56 and section 58, and

28 “(ii) increased by the amount of the items of tax preference described in section
29 57.

30 If a taxpayer is subject to the regular tax, such taxpayer shall be subject to the tax
31 imposed by this section (and, if the regular tax is determined by reference to an amount
32 other than taxable income, such amount shall be treated as the taxable income of such
33 taxpayer for purposes of the preceding sentence).”.

34 (ii) Section 860E(a)(4) is amended by striking “55(b)(2)” and inserting
35 “55(b)(1)(D)”.

36 (iii) Section 897(a)(2)(A)(i) is amended by striking “55(b)(2)” and inserting
37 “55(b)(1)(D)”.

38 (C) Section 11(d) is amended by striking “the tax imposed by subsection (a)” and

1 inserting “the taxes imposed by subsection (a) and section 55”.

2 (D) Section 12 is amended by adding at the end the following new paragraph:
3 “(5) For alternative minimum tax, see section 55.”.

4 (E) Section 882(a)(1) is amended by inserting “, 55,” after “section 11”.

5 (F) Section 6425(c)(1)(A) is amended to read as follows:

6 “(A) the sum of—

7 “(i) the tax imposed by section 11 or subchapter L of chapter 1, whichever is
8 applicable, plus

9 “(ii) the tax imposed by section 55, plus

10 “(iii) the tax imposed by section 59A, over”.

11 (G) Section 6655(e)(2) is amended by inserting “, adjusted financial statement
12 income (as defined in section 56A),” before “and modified taxable income” each place
13 it appears in subparagraphs (A)(i) and (B)(i).

14 (H) Section 6655(g)(1)(A) is amended by redesignating clauses (ii) and (iii) as
15 clauses (iii) and (iv), respectively, and by inserting after clause (i) the following new
16 clause:

17 “(ii) the tax imposed by section 55,”.

18 (b) Adjusted Financial Statement Income.—

19 (1) IN GENERAL.—Part VI of subchapter A of chapter 1 is amended by inserting after
20 section 56 the following new section:

21 “**SEC. 56A. ADJUSTED FINANCIAL STATEMENT**
22 **INCOME.**

23 “(a) In General.—For purposes of this part, the term ‘adjusted financial statement income’
24 means, with respect to any corporation for any taxable year, the net income or loss of the
25 taxpayer set forth on the taxpayer’s applicable financial statement for such taxable year, adjusted
26 as provided in this section.

27 “(b) Applicable Financial Statement.—For purposes of this section, the term ‘applicable
28 financial statement’ means, with respect to any taxable year, an applicable financial statement (as
29 defined in section 451(b)(3)) **or as specified by the Secretary in regulations or other**
30 **guidance** which covers such taxable year.

31 “(c) General Adjustments.—

32 “(1) STATEMENTS COVERING DIFFERENT TAXABLE YEARS.—Appropriate adjustments shall
33 be made in adjusted financial statement income in any case in which an applicable financial
34 statement covers a period other than the taxable year.

35 “(2) SPECIAL RULES FOR RELATED CORPORATIONS.— **ENTITIES.**—

36 “(A) CONSOLIDATED FINANCIAL STATEMENTS.—If the financial results of a taxpayer
37 are reported on the applicable financial statement for a group of entities, ~~such~~

1 statement shall be treated as the applicable financial statement of the taxpayer. **rules**
2 **similar to the rules of section 451(b)(5) shall apply.**

3 ~~“(B) Consolidated returns.—If~~ **“(B) CONSOLIDATED RETURNS.—Except as**
4 **provided in regulations prescribed by the Secretary, if** the taxpayer files a
5 consolidated return for any taxable year, adjusted financial statement income **of the**
6 **taxpayer** for such taxable year shall take into account items on the taxpayer’s
7 applicable financial statement which are properly allocable to members of such group
8 included on such return.

9 ~~“(C) TREATMENT OF DIVIDENDS AND OTHER AMOUNTS.—In the case of any~~
10 corporation which is not included on a consolidated return with the taxpayer, adjusted
11 financial statement income **of the taxpayer** shall take into account the earnings of such
12 other corporation only to the extent of the sum of the dividends received from such
13 other corporation **(reduced to the extent provided by the Secretary in regulations**
14 **or other guidance)** and other amounts required to be included in gross income under
15 this chapter (other than amounts required to be included under sections 951 and 951A)
16 in respect of the earnings of such other corporation.

17 ~~“(D) GROUP INCLUDING ONE OR MORE PARTNERSHIPS.—Under rules prescribed~~
18 **by the Secretary, if the financial results of a taxpayer are reported on the**
19 **applicable financial statement for a group of entities that includes one or more**
20 **partnerships, adjusted financial statement income shall take into account the**
21 **earnings of such partnerships in the same proportion as the taxpayer’s**
22 **distributive share of items from the partnerships required to be included in gross**
23 **income under this chapter.**

24 ~~“(3) ADJUSTMENTS TO TAKE INTO ACCOUNT CERTAIN ITEMS OF FOREIGN INCOME.—~~

25 ~~“(A) Controlled foreign corporations.—~~

26 ~~“(i) IN GENERAL.—If, for any taxable year, a taxpayer is a United States shareholder~~
27 of one or more controlled foreign corporations, the adjusted financial statement income
28 of such taxpayer shall be adjusted to take into account such taxpayer’s pro rata share
29 (determined under rules similar to the rules under section 951(a)(2)) of items taken into
30 account in computing the net income or loss set forth on the applicable financial
31 statement of each such controlled foreign corporation with respect to which such
32 taxpayer is a United States shareholder.

33 ~~“(ii)“(B) NEGATIVE ADJUSTMENTS.—In any case in which the adjustment~~
34 determined under ~~clause (i)~~ **subparagraph (A)** would result in a negative adjustment
35 for such taxable year—

36 ~~“(I)“(i) no adjustment shall be made under this subparagraph~~ **paragraph** for
37 such taxable year, and

38 ~~“(H)“(ii) the amount of the adjustment determined under this subparagraph~~
39 **paragraph** for the succeeding taxable year (determined without regard to this
40 ~~subparagraph~~ **paragraph)** shall be reduced by an amount equal to the negative
41 adjustment for such taxable year.

42 ~~“(B) Disregarded entities.—Adjusted~~ **“(4) EFFECTIVELY CONNECTED INCOME.—In the**

1 ~~case of a foreign corporation, to determine adjusted~~ financial statement income shall be
2 ~~adjusted to take into account any adjusted financial statement income of a disregarded entity~~
3 ~~owned by the taxpayer that is not otherwise included on the applicable financial statement,~~
4 **the principles of section 882 shall apply.**

5 ~~“(4)“(5) ADJUSTMENTS FOR CERTAIN TAXES.—Adjusted financial statement income shall~~
6 ~~be appropriately adjusted to disregard any Federal income taxes, or income, war profits, or~~
7 ~~excess profits taxes (within the meaning of section 901) imposed by any~~ **with respect to a**
8 ~~foreign country or possession of the United States, which are directly or indirectly taken~~
9 ~~into account on the taxpayer’s applicable financial statement. The~~ **To the extent provided**
10 **by the Secretary, the** preceding sentence shall not apply to ~~any such taxes~~ **income, war**
11 **profits, or excess profits taxes (within the meaning of section 901) that are** imposed by a
12 ~~foreign country or possession of the United States and taken into account on the~~
13 ~~taxpayer’s applicable financial statement if the taxpayer does not choose to take, to any~~
14 ~~extent, the benefits of section 901. The Secretary shall prescribe such regulations or~~
15 ~~other guidance as may be necessary and appropriate to provide for the proper~~
16 ~~treatment of current and deferred taxes for purposes of this paragraph, including the~~
17 ~~time at which such taxes are properly taken into account.~~

18 ~~“(6) ADJUSTMENT WITH RESPECT TO DISREGARDED ENTITIES.—Adjusted financial~~
19 ~~statement income shall be adjusted to take into account any adjusted financial~~
20 ~~statement income of a disregarded entity owned by the taxpayer.~~

21 ~~“(7)“(5) SPECIAL RULE FOR COOPERATIVES.—In the case of a cooperative to which~~
22 ~~section 1381 applies, the adjusted financial statement income (determined without regard to~~
23 ~~this paragraph) shall be reduced by the amounts referred to in section 1382(b) (relating to~~
24 ~~patronage dividends and per-unit retain allocations) to the extent such amounts were not~~
25 ~~otherwise taken into account in determining adjusted financial statement income.~~

26 ~~“(6)“(8) RULES FOR ALASKA NATIVE CORPORATIONS.—Adjusted financial statement~~
27 ~~income shall be appropriately adjusted to allow—~~

28 ~~“(A) cost recovery and depletion attributable to property the basis of which is~~
29 ~~determined under section 21(c) of the Alaska Native Claims Settlement Act (43 U.S.C.~~
30 ~~1620(c)), and~~

31 ~~“(B) deductions for amounts payable made pursuant to section 7(i) or section 7(j) of~~
32 ~~such Act (43 U.S.C. 1606(i) and 1606(j)) only at such time as the deductions are~~
33 ~~allowed for tax purposes.~~

34 ~~“(7)“(9) AMOUNTS ATTRIBUTABLE TO ELECTIONS FOR DIRECT PAYMENT OF CERTAIN~~
35 ~~CREDITS.—Adjusted financial statement income shall be appropriately adjusted to disregard~~
36 ~~any amount received as a refund of taxes which is attributable to an election under section~~
37 ~~6417.~~

38 ~~“(8)“(10) CONSISTENT TREATMENT OF REASONABLE MORTGAGE SERVICING INCOME OF A~~
39 ~~TAXPAYER OTHER THAN A REGULATED INVESTMENT COMPANY.—ADJUSTED COMPANY.—~~

40 ~~“(A) IN GENERAL.—Adjusted financial statement income shall be appropriately~~
41 ~~adjusted to provide that reasonable compensation (as determined by the Secretary)~~
42 ~~recognized~~ **adjusted so as not to include any item of income** in connection with a
43 ~~mortgage servicing contract shall not be taken into account~~ **any** earlier than when such

1 income is ~~taken into account under section 451.~~ **included in gross income under any**
2 **other provision of this chapter.**

3 ~~“(9)“(B) RULES FOR AMOUNTS NOT REPRESENTING REASONABLE~~
4 **COMPENSATION.—The Secretary shall provide regulations to prevent the**
5 **avoidance of taxes imposed by this chapter with respect to amounts not**
6 **representing reasonable compensation (as determined by the Secretary) with**
7 **respect to a mortgage servicing contract.**

8 **“(11) SECRETARIAL AUTHORITY TO ADJUST ITEMS.—**The Secretary shall issue regulations
9 ~~and~~ **or** other guidance to provide for such adjustments to adjusted financial statement
10 income as the Secretary determines necessary to carry out the purposes of this section,
11 including adjustments—

12 **“(A) to prevent the omission or duplication of any item,**

13 ~~and~~ **“(B) to take into account the ownership of a member of a group by a**
14 **corporation or partnership which is not a member of such group, and**

15 ~~“(B)“(C) to carry out the principles of part II of subchapter C of this chapter~~
16 ~~(relating to corporate liquidations) and, part III of subchapter C of this chapter (relating~~
17 ~~to corporate organizations and reorganizations), and part II of subchapter K of this~~
18 **chapter (relating to partnership contributions and distributions).**

19 **“(d) Deduction for Financial Statement Net Operating Loss.—**

20 **“(1) IN GENERAL.—**Adjusted financial statement income (determined after application of
21 subsection (c) and without regard to this subsection) shall be reduced by an amount equal to
22 the lesser of—

23 **“(A) the aggregate amount of financial statement net operating loss carryovers to the**
24 **taxable year, or**

25 **“(B) 80 percent of adjusted financial statement income computed without regard to**
26 **the deduction allowable under this subsection.**

27 **“(2) FINANCIAL STATEMENT NET OPERATING LOSS CARRYOVER.—**A financial statement
28 net operating loss for any taxable year shall be a financial statement net operating loss
29 carryover to each taxable year following the taxable year of the loss. The portion of such
30 loss which shall be carried to subsequent taxable years shall be the ~~excess, if any, of the~~
31 ~~amount of such loss over the~~ amount of such loss remaining **(if any)** after the application of
32 paragraph (1).

33 **“(3) FINANCIAL STATEMENT NET OPERATING LOSS DEFINED.—**For purposes of this
34 subsection, the term ‘financial statement net operating loss’ means the amount of the net
35 loss (if any) set forth on the corporation’s applicable financial statement (determined after
36 application of subsection (c) and without regard to this subsection) for taxable years ending
37 after December 31, 2019.

38 **“(e) Regulations and Other Guidance.—**The Secretary shall provide for such regulations ~~an~~
39 **and** other guidance as necessary to carry out the purposes of this section, including regulations
40 and other guidance relating to the effect of the rules of this section on partnerships with income
41 taken into account by an applicable corporation.”.

1 (2) CLERICAL AMENDMENT.—The table of sections for part VI of subchapter A of chapter
2 1 is amended by inserting after the item relating to section 56 the following new item:

3 “Sec.56A.Adjusted financial statement income.”.

4 (c) Corporate AMT Foreign Tax Credit.—Section 59, as amended by this section, is amended
5 by adding at the end the following new subsection:

6 “(l) Corporate AMT Foreign Tax Credit.—

7 “(1) IN GENERAL.—For purposes of this part, if an applicable corporation chooses to have
8 the benefits of subpart A of part III of subchapter N for any taxable year, the **corporate**
9 AMT foreign tax credit for the taxable year of the applicable corporation is an amount equal
10 to sum of—

11 “(A) the lesser of—

12 “(i) the aggregate of the applicable corporation’s pro rata share (as determined
13 under section 56A(c)(3)(A)) of the amount of income, war profits, and excess
14 profits taxes (within the meaning of section 901) imposed by any foreign country
15 or possession of the United States which are—

16 “(I) ~~directly or indirectly~~ taken into account on the taxpayer’s applicable
17 financial statement, ~~and~~

18 “(II) ~~paid or accrued (for Federal income tax purposes) by~~ of each
19 controlled foreign corporation with respect to which the applicable
20 corporation is a United States shareholder, **and**

21 “(II) **paid or accrued (for Federal income tax purposes) by each such**
22 **controlled foreign corporation, or**

23 “(ii) the product of the amount of the adjustment under section 56A(c)(3) and
24 the percentage specified in section 55(b)(2)(A)(i), and

25 “(B) the amount of income, war profits, and excess profits taxes (within the meaning
26 of section 901) imposed by any foreign country or possession of the United States to
27 the extent such taxes are—

28 “(i) ~~directly or indirectly~~ taken into account on the applicable corporation’s
29 applicable financial statement, and

30 “(ii) paid or accrued (for Federal income tax purposes) by the applicable
31 corporation.

32 “(2) CARRYOVER OF EXCESS TAX PAID.—For any taxable year for which an applicable
33 corporation chooses to have the benefits of subpart A of part III of subchapter N, the excess
34 of the amount described in paragraph (1)(A)(i) over the amount described in paragraph
35 (1)(A)(ii) shall increase the amount described in paragraph (1)(A)(i) in any of the first 5
36 succeeding taxable years to the extent not taken into account in a prior taxable year.

37 “(3) REGULATIONS ~~AND~~ **OR** OTHER GUIDANCE.—The Secretary shall provide for such
38 regulations ~~and~~ **or** other guidance as **is** necessary to carry out the purposes of this
39 subsection.”.

40 (d) Treatment of General Business Credit.—Section 38(c)(6)(E) is amended to read as

1 follows:

2 “(E) CORPORATIONS.—In the case of a corporation—

3 “(i) the first sentence of paragraph (1) shall be applied by substituting ‘25
4 percent of the taxpayer’s net income tax as exceeds \$25,000’ for ‘the greater of’
5 and all that follows,

6 “(ii) paragraph (2)(A) shall be applied without regard to clause (ii)(I) thereof,
7 and

8 “(iii) paragraph (4)(A) shall be applied without regard to clause (ii)(I) thereof.”.

9 (e) Credit for Prior Year Minimum Tax Liability.—

10 (1) IN GENERAL.—Section 53(e) is amended to read as follows:

11 “(e) Application to Applicable Corporations.—In the case of an ~~an applicable~~ a corporation—

12 “(1) subsection (b)(1) shall be applied by substituting ‘the net minimum tax for all prior
13 taxable years beginning after 2022’ for ‘the adjusted net minimum tax imposed for all prior
14 taxable years beginning after 1986’, and

15 “(2) the amount determined under subsection (c)(1) shall be increased by the amount of
16 tax imposed under section 59A for the taxable year.”.

17 (2) CONFORMING AMENDMENTS.—Section 53(d) is amended—

18 (A) in paragraph (2), by inserting “(other than an applicable corporation” after
19 “corporation”, striking “, except that in the case” and all that follows through
20 “treated as zero”, and

21 (B) by striking paragraph (3).

22 (f) Effective Date.—The amendments made by this section shall apply to taxable years
23 beginning after December 31, 2022.

24 SEC. 138102. EXCISE TAX ON REPURCHASE OF 25 CORPORATE STOCK.

26 (a) In General.—Subtitle D is amended by inserting after chapter 36 the following new
27 chapter:

28 “CHAPTER 37—REPURCHASE OF CORPORATE STOCK

29 “Sec.4501.Repurchase of corporate stock.

30 “SEC. 4501. REPURCHASE OF CORPORATE STOCK.

31 “(a) General Rule.—There is hereby imposed on each covered corporation a tax equal to 1
32 percent of the fair market value of any stock of the corporation which is repurchased by such
33 corporation during the taxable year.

34 “(b) Covered Corporation.—For purposes of this section, the term ‘covered corporation’
35 means any domestic corporation the stock of which is traded on an established securities market
36 (within the meaning of section 7704(b)(1)).

1 “(c) Repurchase.—For purposes of this section—

2 “(1) IN GENERAL.—The term ‘repurchase’ means—

3 “(A) a redemption within the meaning of section 317(b) with regard to the stock of a
4 covered corporation, and

5 “(B) any transaction determined by the Secretary to be economically similar to a
6 transaction described in subparagraph (A).

7 “(2) TREATMENT OF PURCHASES BY SPECIFIED AFFILIATES.—

8 “(A) IN GENERAL.—The acquisition of stock of a covered corporation by a specified
9 affiliate of such covered corporation, from a person who is not the covered corporation
10 or a specified affiliate of such covered corporation, shall be treated as a repurchase of
11 the stock of the covered corporation by such covered corporation.

12 “(B) SPECIFIED AFFILIATE.—For purposes of this section, the term ‘specified
13 affiliate’ means, with respect to any corporation—

14 “(i) any corporation more than 50 percent of the stock of which is owned (by
15 vote or by value), directly or indirectly, by such corporation, and

16 “(ii) any partnership more than 50 percent of the capital interests or profits
17 interests of which is held, directly or indirectly, by such corporation.

18 “(3) ADJUSTMENT.—The amount taken into account under subsection (a) with respect to
19 any stock repurchased by a covered corporation shall be reduced by the fair market value of
20 any stock issued by the covered corporation during the taxable year, including the fair
21 market value of any stock issued to employees of such covered corporation or a specified
22 affiliate of such covered corporation during the taxable year, whether or not such stock is
23 issued in response to the exercise of an option to purchase such stock.

24 “(d) Special Rules for ~~Foreign-parented Domestic~~ **Acquisition of Stock of Certain Foreign**
25 **Corporations.**—

26 “(1) IN GENERAL.—In the case of an acquisition of stock of an applicable foreign
27 corporation by a specified affiliate of such corporation (other than a foreign corporation or a
28 foreign partnership (unless such partnership has a domestic entity as a direct or indirect
29 partner)) from a person who is not the applicable foreign corporation or a specified affiliate
30 of such applicable foreign corporation, for purposes of this section—

31 “(A) such specified affiliate shall be treated as a covered corporation with respect to
32 such acquisition,

33 “(B) such acquisition shall be treated as a repurchase of stock of a covered
34 corporation by such covered corporation, and

35 “(C) the adjustment under subsection (c)(3) shall be determined only with respect to
36 stock issued by such specified affiliate to employees of the specified affiliate.

37 “(2) SURROGATE FOREIGN CORPORATIONS.—In the case of a repurchase of stock of a
38 covered surrogate foreign corporation by such covered surrogate foreign corporation, or an
39 acquisition of stock of a covered surrogate foreign corporation by a specified affiliate of
40 such corporation, for purposes of this section—

1 “(A) the expatriated entity with respect to such covered surrogate foreign
2 corporation shall be treated as a covered corporation with respect to such repurchase or
3 acquisition,

4 “(B) such repurchase or acquisition shall be treated as a repurchase of stock of a
5 covered corporation by such covered corporation, and

6 “(C) the adjustment under subsection (c)(3) shall be determined only with respect to
7 stock issued by such expatriated entity to employees of the expatriated entity.

8 “(3) DEFINITIONS.—For purposes of this subsection—

9 “(A) APPLICABLE FOREIGN CORPORATION.—The term ‘applicable foreign
10 corporation’ means any foreign corporation the stock of which is traded on an
11 established securities market (within the meaning of section 7704(b)(1)).

12 “(B) COVERED SURROGATE FOREIGN CORPORATION.—The term ‘covered surrogate
13 foreign corporation’ means any surrogate foreign corporation (as determined under
14 section 7874(a)(2)(B) by substituting ‘September 20, 2021’ for ‘March 4, 2003’ each
15 place it appears) the stock of which is traded on an established securities market
16 (within the meaning of section 7704(b)(1)), but only with respect to taxable years
17 which include any portion of the applicable period with respect to such corporation
18 under section 7874(d)(1).

19 “(C) EXPATRIATED ENTITY.—The term ‘expatriated entity’ has the meaning given
20 such term by section 7874(a)(2)(A).

21 “(e) Exceptions.—Subsection (a) shall not apply—

22 “(1) to the extent that the repurchase is part of a reorganization (within the meaning of
23 section 368(a)) and no gain or loss is recognized on such repurchase by the shareholder
24 under chapter 1 by reason of such reorganization,

25 “(2) in any case in which the stock repurchased is, or an amount of stock equal to the
26 value of the stock repurchased is, contributed to an employer-sponsored retirement plan,
27 employee stock ownership plan, or similar plan,

28 “(3) in any case in which the total value of the stock repurchased during the taxable year
29 does not exceed \$1,000,000,

30 “(4) under regulations prescribed by the Secretary, in cases in which the repurchase is by
31 a dealer in securities in the ordinary course of business,

32 “(5) to repurchases by a regulated investment company (as defined in section 851) or a
33 real estate investment trust, or

34 “(6) to the extent that the repurchase is treated as a dividend for purposes of this title.

35 “(f) Regulations and Guidance.—The Secretary shall prescribe such regulations and other
36 guidance as are necessary or appropriate to administer and to prevent the avoidance of the
37 purposes of this section, including regulations and other guidance—

38 “(1) to prevent the abuse of the exceptions provided by subsection (e),

39 “(2) to address special classes of stock and preferred stock, and

1 “(3) for the application of the rules under subsection (d).”.

2 (b) Tax Not Deductible.—Paragraph (6) of section 275(a) is amended by inserting “37,”
3 before “41”.

4 (c) Clerical Amendment.—The table of chapters for subtitle D is amended by inserting after
5 the item relating to chapter 36 the following new item:

6 “Chapter 37—Repurchase of Corporate Stock”.

7 (d) Effective Date.—The amendments made by this section shall apply to repurchases (within
8 the meaning of section 4501(c) of the Internal Revenue Code of 1986, as added by this section)
9 of stock after December 31, 2021.

10 Subpart B—Limitations on Deduction for Interest Expense

11 SEC. 138111. LIMITATIONS ON DEDUCTION FOR 12 INTEREST EXPENSE.

13 (a) Interest Expense of Certain Members of International Financial Reporting
14 Groups.—Section 163 is amended by redesignating subsection (n) as subsection (p) and by
15 inserting after subsection (m) the following new subsection:

16 “(n) Limitation on Deduction of Interest by Certain Members of International Financial
17 Reporting Groups.—

18 “(1) IN GENERAL.—In the case of any specified domestic corporation which is a member
19 of any international financial reporting group, the deduction under this chapter for interest
20 paid or accrued during the taxable year in excess of the amount of interest includible in the
21 gross income of such corporation shall not exceed the allowable percentage of 110 percent
22 of such excess.

23 “(2) SPECIFIED DOMESTIC CORPORATION.—For purposes of this subsection—

24 “(A) IN GENERAL.—The term ‘specified domestic corporation’ means any domestic
25 corporation other than—

26 “(i) any corporation if the excess of—

27 “(I) the average amount of interest paid or accrued by such corporation
28 during the 3-taxable-year period ending with the taxable year to which
29 paragraph (1) applies, over

30 “(II) the average amount of interest includible in the gross income of such
31 corporation for such 3-taxable-year period,

32 does not exceed \$12,000,000,

33 “(ii) any corporation to which paragraph (1) of section 163(j) does not apply by
34 reason of paragraph (3) thereof ~~(relating to exemption for certain small-~~
35 ~~businesses)~~, **of such section (determined without regard to paragraph (4)(B)**
36 **of such section)**, and

37 “(iii) any S corporation, real estate investment trust, or regulated investment

1 company.

2 “(B) AGGREGATION RULE.—For purposes of clauses (i) and (ii) of subparagraph (A),
3 all domestic corporations which are members of the same international financial
4 reporting group shall be treated as a single corporation.

5 “(C) FOREIGN CORPORATIONS ENGAGED IN TRADE OR BUSINESS WITHIN THE UNITED
6 STATES.—~~FOR PURPOSES OF THIS SUBSECTION, IF STATES.~~—If a foreign corporation is
7 engaged in a trade or business within the United States, such foreign corporation shall
8 be treated as a domestic corporation with respect to the items that are effectively
9 connected with such trade or business.

10 “(3) INTERNATIONAL FINANCIAL REPORTING GROUP.—For purposes of this subsection—

11 “(A) IN GENERAL.—The term ‘international financial reporting group’ means, with
12 respect to any reporting year, two or more entities if—

13 “(i) either—

14 “(I) at least one entity is a foreign corporation engaged in a trade or
15 business within the United States, or

16 “(II) at least one entity is a domestic corporation and another entity is a
17 foreign corporation, and

18 “(ii) such entities are included in the same applicable financial statement with
19 respect to such year.

20 “(B) ELECTION TO INCLUDE ELIGIBLE CORPORATIONS IN GROUP.—

21 “(i) IN GENERAL.—To the extent provided by the Secretary in regulations or
22 other guidance, an international financial reporting group may elect (at such time
23 and in such manner as the Secretary may provide) to treat all eligible corporations
24 with respect to such group as members of such group for purposes of this
25 subsection. As a condition of such election, all such eligible corporations must
26 maintain (and provide ~~such group~~ access to) such books and records as the
27 Secretary determines are satisfactory to allow for the application of this
28 subsection with respect to such eligible corporations. Such election may be
29 revoked only with the consent of the Secretary.

30 “(ii) ELIGIBLE CORPORATION.—The term ‘eligible corporation’ means, with
31 respect to any international financial reporting group, any corporation if at least
32 20 percent of the stock of such corporation (determined by vote and value) is held
33 (directly or indirectly) by members of such international financial reporting group
34 (determined without regard to this subparagraph).

35 “(4) ALLOWABLE PERCENTAGE.—For purposes of this subsection—

36 “(A) IN GENERAL.—The term ‘allowable percentage’ means, with respect to any
37 specified domestic corporation for any taxable year, the ratio (expressed as a
38 percentage and not greater than 100 percent) of—

39 “(i) such corporation’s allocable share of the international financial reporting
40 group’s reported net interest expense for the reporting year of such group which

1 ends in or with such taxable year of such corporation, over

2 “(ii) such corporation’s reported net interest expense for such reporting year of
3 such group.

4 “(B) REPORTED NET INTEREST EXPENSE.—The term ‘reported net interest expense’
5 means—

6 “(i) with respect to any international financial reporting group for any reporting
7 year, the excess of—

8 “(I) the aggregate amount of interest expense reported in such group’s
9 applicable financial statements for such taxable year, over

10 “(II) the aggregate amount of interest income reported in such group’s
11 applicable financial statements for such taxable year, and

12 “(ii) with respect to any specified domestic corporation for any reporting year,
13 the excess of—

14 “(I) the amount of interest expense of such corporation reported in the
15 books and records of the international financial reporting group which are
16 used in preparing such group’s applicable financial statements for such
17 taxable year, over

18 “(II) the amount of interest income of such corporation reported in such
19 books and records.

20 “(C) ALLOCABLE SHARE OF REPORTED NET INTEREST EXPENSE.—With respect to any
21 specified domestic corporation which is a member of any international financial
22 reporting group, such corporation’s allocable share of such group’s reported net
23 interest expense for any reporting year is the portion of such expense which bears the
24 same ratio to such expense as—

25 “(i) the EBITDA of such corporation for such reporting year, bears to

26 “(ii) the EBITDA of such group for such reporting year.

27 “(D) EBITDA.—

28 “(i) IN GENERAL.—The term ‘EBITDA’ means, with respect to any reporting
29 year, earnings before interest income and interest expense, taxes, depreciation,
30 depletion, and amortization—

31 “(I) as determined in the international financial reporting group’s
32 applicable financial statements for such year, or

33 “(II) as determined in the books and records of the international financial
34 reporting group which are used in preparing such statements if not
35 determined in such statements.

36 “(ii) ~~TREATMENT OF INTRA-GROUP DISTRIBUTIONS.—THE DETERMINATION OF~~
37 **EBITDA OF A SPECIFIED DOMESTIC CORPORATION.—The EBITDA of any**
38 **specified domestic corporation shall be determined on a stand-alone basis and**
39 **without regard to any distribution received by such corporation from any other**
40 **member of the international financial reporting group.**

1 “(E) SPECIAL RULES FOR NON-POSITIVE EBITDA.—

2 “(i) NON-POSITIVE GROUP EBITDA.—In the case of any international financial
3 reporting group the EBITDA of which is zero or less, paragraph (1) shall not
4 apply to any specified domestic corporation which is a member of such group.

5 “(ii) NON-POSITIVE ENTITY EBITDA.—In the case of any specified domestic
6 corporation the EBITDA of which is zero or less, the allowable percentage shall
7 be 0 percent.

8 “(5) APPLICABLE FINANCIAL STATEMENT.—For purposes of this subsection, the term
9 ‘applicable financial statement’ has the meaning given such term in section 451(b)(3).

10 “(6) REPORTING YEAR.—For purposes of this subsection, the term ‘reporting year’ means
11 any year for which an applicable financial statement is prepared or required to be prepared.

12 “(7) REGULATIONS.—The Secretary may issue such regulations or other guidance as are
13 necessary or appropriate to carry out the purposes of this subsection, including regulations
14 or other guidance which—

15 “(A) allows or requires the adjustment of amounts reported on applicable financial
16 statements,

17 “(B) allows or requires any corporation to be included or excluded as a member of
18 any international financial reporting group for purposes of any determination or
19 calculation under this subsection,

20 “(C) treats ~~subpart F~~ **interest** income of a controlled foreign corporation **which is**
21 **subpart F income**, and any interest expense of such corporation which is related to
22 ~~such~~ **subpart F** income, as income and interest expense, respectively, of a specified
23 domestic corporation for purposes of this ~~section~~ **subsection**,

24 “(D) prevents the omission, inclusion, or duplication of any item or amount of
25 interest income or interest expense, and

26 “(E) provides rules for the application of this subsection with respect to—

27 “(i) a domestic corporation that is a partner (directly or indirectly) in a
28 partnership,

29 “(ii) a domestic corporation that owns (directly or indirectly) an interest in an
30 entity that is fiscally transparent in one or more jurisdictions, and

31 “(iii) a foreign corporation to which this subsection applies by reason of
32 paragraph (2)(C).”.

33 (b) Modification of Application of Limitation on Business Interest to Partnerships and S
34 Corporations.—~~Section~~ **Corporations.**—

35 **(1) IN GENERAL.**—**Section** 163(j)(4) is amended to read as follows:

36 “(4) APPLICATION TO PARTNERSHIPS AND S CORPORATIONS.—

37 “(A) ~~IN GENERAL.~~—~~EXCEPT AS OTHERWISE PROVIDED IN SUBPARAGRAPH (B), IN~~
38 **GENERAL.**—**In** the case of any partnership or S corporation, this subsection shall be
39 applied at the partner or shareholder level, respectively.

1 “(B) APPLICATION OF EXEMPTION FOR CERTAIN SMALL **BUSINESSES.**—**In the case of**
2 **any partnership or S corporation which does not meet the gross receipts test of**
3 **section 448(c) for any taxable year, paragraph (3) shall not** ~~businesses.~~—

4 ~~“(i) Partnerships.—In the case of any partner to which paragraph (3) applies~~
5 ~~(determined without regard to this subparagraph), paragraph (1) shall apply by only~~
6 ~~taking into account such partner’s distributive share of items from any partnership not~~
7 ~~described in paragraph (3).~~

8 ~~“(ii) S corporations.—In the case of any S corporation shareholder to which~~
9 ~~paragraph (3) applies (determined without regard this subparagraph), paragraph (1)~~
10 ~~shall apply with respect to such shareholder under rules similar to the rules of clause~~
11 ~~(i).~~ **any distributive, or pro rata, share of business interest and other items under**
12 **this subsection of such partnership or S corporation.**

13 “(C) REGULATIONS.—The Secretary shall prescribe such regulations or other
14 guidance as may be necessary or appropriate to carry out the purposes of this section,
15 including regulations or other guidance—

16 “(i) for requiring or restricting the allocation of ~~items and~~ **business interest and**
17 **other items** under this subsection,

18 “(ii) to provide for such reporting requirements as the Secretary determines
19 appropriate, and

20 “(iii) for the application of this subsection in the case of tiered structures or
21 trades or businesses described in paragraph ~~(2)(C).~~”.

22 **(7).”.**

23 **(2) CONFORMING AMENDMENT.—Section 163(j)(3) is amended by inserting “except**
24 **to the extent provided in paragraph (4)(B)” after “to such taxpayer for such taxable**
25 **year”.**

26 (c) Carryforward of Disallowed Interest.—

27 (1) IN GENERAL.—Section 163 is amended by inserting after subsection (n), as added by
28 subsection (a), the following new subsection:

29 “(o) Carryforward of Certain Disallowed Interest.—The amount of any interest not allowed as
30 a deduction for any taxable year by reason of subsection (j) or (n)(1) (whichever imposes the
31 lower limitation with respect to such taxable year) shall be treated as interest (and as business
32 interest for purposes of subsection (j) to the extent such amount is properly attributable to a trade
33 or business as defined in subsection (j)(7)) paid or accrued in the succeeding taxable year.”.

34 (2) CONFORMING AMENDMENTS.—

35 (A) Section 163(j)(2) is amended to read as follows:

36 “(2) CARRYFORWARD CROSS-REFERENCE.—For carryforward treatment, see subsection
37 (o).”.

38 (B) Section 381(c)(20) is amended to read as follows:

39 “(20) CARRYFORWARD OF DISALLOWED INTEREST.—The carryover of disallowed interest
40 described in section 163(o) to taxable years ending after the date of distribution or

1 transfer.”.

2 (C) Section 382(d)(3) is amended to read as follows:

3 “(3) APPLICATION TO CARRYFORWARD OF DISALLOWED INTEREST.—The term ‘pre-change
4 loss’ shall include any carryover of disallowed interest described in section 163(o) under
5 rules similar to the rules of paragraph (1).”.

6 (d) Effective Date.—The amendments made by this section shall apply to taxable years
7 beginning after December 31, 2022.

8 (e) Transition Rule.—In the case of a partner’s first succeeding taxable year described in
9 subclause (II) of section 163(j)(4)(B)(ii) of the Internal Revenue Code of 1986 (as in effect
10 before the amendment made by subsection (b)) which begins after December 31, 2022, the
11 amount of excess business interest which would (but for such amendment) be carried to such
12 taxable year under such subclause shall be treated as interest (and as business interest for
13 purposes of section 163(j) of such Code, as amended by this section) paid or accrued in such
14 taxable year. A rule similar to the rule in the preceding sentence shall apply in the case of an S
15 corporation and its shareholders. For carryover of any such interest disallowed for such taxable
16 year, see section 163(o) of such Code, as amended by this section.

17 Subpart C—Outbound International Provisions

18 SEC. 138121. MODIFICATIONS TO DEDUCTION FOR 19 FOREIGN-DERIVED INTANGIBLE INCOME AND 20 GLOBAL INTANGIBLE LOW-TAXED INCOME.

21 (a) In General.—Section 250(a) is amended to read as follows:

22 “(a) In General.—In the case of a domestic corporation for any taxable year, there shall be
23 allowed as a deduction an amount equal to the sum of—

24 “(1) 24.8 percent of the foreign-derived intangible income of such domestic corporation
25 for such taxable year, plus

26 “(2) 28.5 percent of—

27 “(A) the global intangible low-taxed income (if any) which is included in the gross
28 income of such domestic corporation under section 951A for such taxable year, and

29 “(B) the amount treated as a dividend received by such corporation under section 78
30 which is attributable to the amount described in subparagraph (A).”.

31 (b) Deduction Taken Into Account in Determining Net Operating Loss Deduction.—Section
32 172(d) is amended by striking paragraph (9).

33 (c) Certain Other Modifications.—

34 (1) Section 250(b)(3) is amended—

35 (A) in subparagraph (A)(i)—

36 (i) by striking “and” at the end of subclause (V),

37 (ii) by striking “over” at the end of subclause (VI), and

1 (iii) by adding at the end the following new subclauses:

2 “(VII) any income described in clause (i) or (ii) of section 904(d)(2)(B),
3 determined without regard to clause (iii)(II) thereof,

4 “(VIII) except as otherwise provided by the Secretary, ~~gains any income~~
5 **and gain** from the sale or other disposition (**including the deemed sale or**
6 **other deemed disposition**) of property giving rise to rents or royalties
7 derived in the active conduct of a trade or business, and

8 “(IX) any disqualified extraterritorial income, over”, and

9 (B) by adding at the end the following new subparagraph:

10 “(C) DISQUALIFIED EXTRATERRITORIAL INCOME.—

11 “(i) IN GENERAL.—For purposes of subparagraph (A)(i)(IX), the term
12 ‘disqualified extraterritorial income’ means any amount included in the gross
13 income of the corporation with respect to any transaction for any taxable year if
14 any amount could (determined after application of clause (ii) but without regard to
15 any election under section 942(a)(3) as in effect before its repeal) be excluded
16 from the gross income of the corporation with respect to such transaction for such
17 taxable year by reason of section 114 pursuant to the application of subsection (d)
18 or (f) of section 101 of the American Jobs Creation Act of 2004.

19 “(ii) ELECTION OUT OF EXTRATERRITORIAL INCOME BENEFITS.—

20 “(I) IN GENERAL.—Except as provided in subclause (II), the corporation
21 referred to in clause (i) may make an irrevocable election (at such time and
22 in such form and manner as the Secretary may provide) to have subsections
23 (d) and (f) of section 101 of the American Jobs Creation Act of 2004 not
24 apply with respect to such corporation for the taxable year for which such
25 election is made and all succeeding taxable years (applicable with respect to
26 all transactions, including transactions occurring before such taxable year).

27 “(II) EXPANDED AFFILIATED GROUPS.—In the case of any corporation
28 which is a member of an expanded affiliated group, the election described in
29 subclause (I) may be made only by the common parent of such group (or, in
30 the case of a common parent which is not required to file a return of tax
31 under this chapter, the delegate of such common parent) and shall apply with
32 respect to all members of such group. For purposes of the preceding
33 sentence, the term ‘expanded affiliated group’ means an affiliated group as
34 defined in section 1504(a), determined without regard to section 1504(b)(3)
35 and by substituting ‘more than 50 percent’ for ‘at least 80 percent’ each
36 place it appears.”.

37 (C) Section 250(b)(5)(E) is amended by inserting “(other than paragraph
38 (3)(A)(i)(VIII))” after “For purposes of this subsection”.

39 (2) Section 613A(d)(1) is amended by striking “and” at the end of subparagraph (D), by
40 striking the period at the end of subparagraph (E) and inserting “, and”, and by inserting
41 after subparagraph (E) the following new subparagraph:

1 “(F) any deduction allowable under section 250.”.

2 (d) Effective Date.—

3 (1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this
4 section shall apply to taxable years beginning after December 31, 2022.

5 (2) CERTAIN MODIFICATIONS.—The amendments made by subsection (c) shall apply to
6 taxable years beginning after the date of the enactment of this Act.

7 (e) No Inference Regarding Certain Modifications.—The amendments made by subsection (c)
8 shall not be construed to create any inference with respect to the proper application of any
9 provision of the Internal Revenue Code of 1986 with respect to any taxable year beginning
10 before the taxable years to which such amendments apply.

11 (f) Transition Rule for Accelerated Percentage Reduction.—

12 (1) IN GENERAL.—In the case of any taxable year which includes December 31, 2022
13 (other than a taxable year with respect to which such date is the last day of such taxable
14 year)—

15 (A) the percentage in effect under section 250(a)(1)(A) of the Internal Revenue
16 Code of 1986 shall be treated as being equal to the sum of—

17 (i) the pre-effective date percentage of 37.5 percent, plus

18 (ii) the post-effective date percentage of 24.8 percent, and

19 (B) the percentage in effect under section 250(a)(1)(B) of such Code shall be treated
20 as being equal to the sum of—

21 (i) the pre-effective date percentage of 50 percent, plus

22 (ii) the post-effective date percentage of 28.5 percent.

23 (2) PRE- AND POST-EFFECTIVE DATE PERCENTAGES.—For purposes of this subsection, with
24 respect to any taxable year—

25 (A) the term “pre-effective date percentage” means the ratio that the number of days
26 in such taxable year which are before January 1, 2023, bears to the number of days in
27 such taxable year, and

28 (B) the term “post-effective date percentage” means the ratio that the number of
29 days in such taxable year which are after December 31, 2022, bears to the number of
30 days in such taxable year.

31 **SEC. 138122. REPEAL OF ELECTION FOR 1-MONTH**
32 **DEFERRAL IN DETERMINATION OF TAXABLE YEAR OF**
33 **SPECIFIED FOREIGN CORPORATIONS.**

34 (a) In General.—Section 898(c) is amended by striking paragraph (2) and redesignating
35 paragraph (3) as paragraph (2).

36 (b) Effective Date.—The amendments made by this section shall apply to taxable years of
37 specified foreign corporations beginning after November 30, 2022.

1 (c) Transition Rule.—In the case of a corporation that is a specified foreign corporation as of
2 November 30, 2022, such corporation’s first taxable year beginning after such date shall end at
3 the same time as the first required year (within the meaning of section 898(c)(1) of the Internal
4 Revenue Code of 1986) ending after such date. If any specified foreign corporation is required
5 by this section (or the amendments made by this section) to change its taxable year for its first
6 taxable year beginning after November 30, 2022—

7 (1) such change shall be treated as initiated by such corporation,

8 (2) such change shall be treated as having been made with the consent of the Secretary,
9 and

10 (3) the Secretary (including the Secretary’s delegate in the case of any reference to the
11 Secretary in this paragraph) shall issue regulations or other guidance for allocating foreign
12 taxes that accrue in such first taxable year between such taxable year and the prior taxable
13 year, including such adjustments as the Secretary determines are necessary or appropriate ~~in~~
14 ~~applying sections 959, 960, and 961 of such Code in connection with the allocation of such~~
15 ~~taxes, and providing for such other adjustments as the Secretary determines necessary or~~
16 ~~appropriate~~ to carry out the purposes of this section.

17 SEC. 138123. MODIFICATIONS OF FOREIGN TAX 18 CREDIT RULES APPLICABLE TO CERTAIN TAXPAYERS 19 RECEIVING SPECIFIC ECONOMIC BENEFITS.

20 (a) In General.—Section 901 is amended by redesignating subsection (n) as subsection (o) and
21 by inserting after subsection (m) the following new subsection:

22 “(n) Special Rules Relating to Dual Capacity Taxpayers.—

23 “(1) GENERAL RULE.—Notwithstanding any other provision of this chapter, any amount
24 paid or accrued by a dual capacity taxpayer to a foreign country or possession of the United
25 States for any period shall not be considered a tax—

26 “(A) if, for such period, the foreign country or possession does not impose a
27 generally applicable income tax, or

28 “(B) to the extent such amount exceeds the amount which would be paid or accrued
29 by such dual capacity taxpayer under the generally applicable income tax imposed by
30 such country or possession if such taxpayer were not a dual capacity taxpayer.

31 Nothing in this paragraph shall be construed to imply the proper treatment of any such
32 amount not in excess of the amount determined under subparagraph (B).

33 “(2) DUAL CAPACITY TAXPAYER.—For purposes of this subsection, the term ‘dual
34 capacity taxpayer’ means, with respect to any foreign country or possession of the United
35 States, a person who—

36 “(A) is subject to a levy of such country or possession, and

37 “(B) receives (or will receive) directly or indirectly a specific economic benefit from
38 such country or possession (or any political subdivision, agency, or instrumentality
39 thereof).

1 “(3) GENERALLY APPLICABLE INCOME TAX.—For purposes of this subsection, the term
2 ‘generally applicable income tax’ means an income tax (or a series of income taxes) which
3 is generally imposed under the laws of a foreign country or possession of the United States
4 on residents of such foreign country or possession that are not dual capacity taxpayers.”.

5 (b) Effective Date.—The amendments made by this section shall apply to amounts paid or
6 accrued after December 31, 2021.

7 SEC. 138124. MODIFICATIONS TO FOREIGN TAX 8 CREDIT LIMITATIONS.

9 (a) Country-by-country Application of Limitation on Foreign Tax Credit Based on Taxable
10 Units.—

11 (1) IN GENERAL.—Section 904 is amended by inserting after subsection (d) the following
12 new subsection:

13 “(e) Country-by-country Application Based on Taxable Units.—

14 “(1) IN GENERAL.—Subsection (d) (and the provisions of this title referred to in paragraph
15 (1) of such subsection) shall be applied separately with respect to each country by taking
16 into account the aggregate income properly attributable or otherwise allocable to a taxable
17 unit of the taxpayer which is a tax resident of (or, in the case of a branch, is located in) such
18 country.

19 “(2) TAXABLE UNITS.—

20 “(A) IN GENERAL.—Except as otherwise provided by the Secretary, each item shall
21 be attributable or otherwise allocable to exactly one taxable unit of the taxpayer.

22 “(B) DETERMINATION OF TAXABLE UNITS.—Except as otherwise provided by the
23 Secretary, the taxable units of a taxpayer are as follows:

24 “(i) GENERAL TAXABLE UNIT.—The person that is the taxpayer and that is not
25 otherwise described in a separate clause of this subparagraph.

26 “(ii) CERTAIN FOREIGN CORPORATIONS.—Each foreign corporation with respect
27 to which the taxpayer is a United States shareholder.

28 “(iii) INTERESTS IN PASS-THROUGH ENTITIES.—Each interest held (directly or
29 indirectly) by the taxpayer or any controlled foreign corporation referred to in
30 clause (ii) in a pass-through entity if such pass-through entity is a tax resident of a
31 country other than the country with respect to which such taxpayer or controlled
32 foreign corporation (as the case may be) is a tax resident.

33 “(iv) BRANCHES.—Each branch (or portion thereof) the activities of which are
34 directly or indirectly carried on by the taxpayer or any controlled foreign
35 corporation referred to in clause (ii) and which give rise to a taxable presence in a
36 country other than the country with respect to which such taxpayer or controlled
37 foreign corporation (as the case may be) is a tax resident.

38 “(3) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

39 “(A) TAX RESIDENT.—Except as otherwise provided by the Secretary, the term ‘tax

1 resident' means a person or entity subject to tax under the tax law of a country as a
2 resident. If an entity is organized under the law of a country, or resident in a country,
3 that does not impose an income tax with respect to such entities, such entity shall,
4 except as provided by the Secretary, be treated as subject to tax under the tax law of
5 such country for the purposes of the preceding sentence.

6 “(B) PASS-THROUGH ENTITY.—Except as otherwise provided by the Secretary, the
7 term ‘pass-through entity’ includes any partnership or other entity to the extent that
8 income, gain, deduction, or loss of the entity is taken into account in determining the
9 income or loss of a person that owns (directly or indirectly) an interest in such entity.

10 “(C) BRANCH.—Except as otherwise provided by the Secretary, the term ‘branch’
11 means a taxable presence of a tax resident in a country other than its country of
12 residence as determined under such other country’s tax law. The Secretary shall
13 provide regulations or other guidance applying such term to activities in a country that
14 do not give rise to a taxable presence.

15 “(D) TREATMENT OF FISCALLY AUTONOMOUS JURISDICTIONS.—Any fiscally
16 autonomous jurisdiction shall be treated as a separate country. Any possession of the
17 United States shall also be treated as a separate country.

18 “(E) POSSESSION OF THE UNITED STATES.—The term ‘possession of the United
19 States’ means each of American Samoa, the Commonwealth of the Northern Mariana
20 Islands, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands.

21 “(4) REGULATIONS.—The Secretary shall issue such regulations or other guidance as may
22 be necessary or appropriate to carry out, or prevent avoidance of, the purposes of this
23 subsection, including regulations or other guidance—

24 “(A) providing for the application of this subsection to an entity or arrangement that
25 is considered a tax resident of more than one country or of no country,

26 “(B) providing for the application of this subsection to hybrid entities or hybrid
27 transactions (as such terms are used for purposes of section 267A), pass-through
28 entities, passive foreign investment companies, trusts, and other entities or
29 arrangements not otherwise described in this subsection, and

30 “(C) providing for the assignment of any item (including foreign taxes and
31 deductions) to taxable units, including in the case of amounts not otherwise taken into
32 account in determining taxable income under this chapter.”.

33 ~~(2) Application of recapture of overall foreign loss.—Section 904(f)(5)(E)(i) is amended~~
34 ~~by inserting “applied separately with respect to each country (within the meaning of~~
35 ~~subsection (e)) as provided in subsection (e)” before the period at the end.~~

36 ~~(3) APPLICATION OF SEPARATE LIMITATION LOSSES WITH RESPECT TO GLOBAL INTANGIBLE~~
37 ~~LOW-TAXED INCOME.—~~

38 (A) IN GENERAL.—Section 904(f)(5)(B) is amended to read as follows:

39 “(B) ALLOCATION OF LOSSES.—Except as otherwise provided in this subparagraph,
40 the separate limitation losses for any taxable year (to the extent such losses do not
41 exceed the separate limitation incomes for such year) shall be allocated among (and

1 operate to reduce) such incomes on a proportionate basis. In the case of a separate
2 limitation loss for any taxable year in any category other than subparagraph (d)(1)(A),
3 the amount of such separate limitation loss shall be allocated among (and operate to
4 reduce) separate limitation income in any category other than income described in
5 subparagraph (d)(1)(A) on a proportionate basis (without regard to income described in
6 subparagraph (d)(1)(A)), ~~and only to the extent. The remaining separate limitation~~
7 **losses may reduce separate limitation income described in subparagraph (d)(1)(A)**
8 **only to the extent that** the aggregate amount of such losses exceeds the aggregate
9 amount of separate limitation incomes (other than income described in subparagraph
10 (d)(1)(A)) for such taxable year, ~~shall any amount of separate limitation losses reduce~~
11 ~~separate limitation income described in subparagraph (d)(1)(A).”.~~ **year.”.**

12 ~~(B)~~**(B) INCOME CATEGORY.—Section 904(f)(5)(E)(i) is amended to read as**
13 **follows:**

14 **“(i) INCOME CATEGORY.—The term ‘income category’ means each**
15 **category of income with respect to which this section is required to be**
16 **applied separately by reason of any provision of this title.”.**

17 **(C) SEPARATE LIMITATION LOSS.—Section 904(f)(5)(E)(iii) is amended to read as**
18 **follows:**

19 **“(iii) SEPARATE LIMITATION LOSS.—The term ‘separate limitation loss’ means,**
20 **with respect to any income category, the amount by which the gross income from**
21 **sources outside the United States is exceeded by the sum of the deductions**
22 **properly allocated and apportioned thereto.”.**

23 **(b) Repeal of Separate Application to Foreign Branch Income.—**

24 **(1) IN GENERAL.—Section 904(d)(1) is amended by striking subparagraph (B) and**
25 **redesignating subparagraphs (C) and (D) as subparagraph (B) and (C).**

26 **(2) COORDINATION WITH DEDUCTION FOR FOREIGN-DERIVED INTANGIBLE**
27 **INCOME.—Section 250(b)(3)(A) is amended—**

28 **(A) by striking subclause (VI) of clause (i) and inserting the following new**
29 **subclause:**

30 **“(VI) the income which is attributable to 1 or more branches (within the**
31 **meaning of section 904(e)(3)(C)) or pass-through entities (within the**
32 **meaning of section 904(e)(3)(B)) in 1 or more foreign countries, over”, and**

33 **(B) by adding at the end the following flush sentence:**

34 **“For purposes of clause (i)(VI), the amount of income attributable to a branch or**
35 **pass-through entity shall be determined under rules established by the Secretary.”.**

36 **(3) AMENDMENTS.—**

37 **(A) Section 904(d)(2)(A)(ii) is amended by striking “, foreign branch income,”.**

38 **(B) Section 904(d)(2)(H) is amended to read as follows:**

39 **“(H) TREATMENT OF INCOME TAX BASE DIFFERENCES.—The Secretary shall issue**
40 **regulations or other guidance assigning to the proper category of income any tax**

1 imposed under the law of a foreign country or possession of the United States on an
2 amount which does not constitute income under United States tax principles.”.

3 (C) Section 904(d)(2) is amended by striking subparagraph (J).

4 (c) Modification of Foreign Tax Credit Carryback and Carryforward.—

5 (1) REPEAL OF CARRYBACK.—Section 904(c) is amended—

6 (A) by striking “in the first preceding taxable year, and”,

7 (B) by striking “preceding or” each place it appears, and

8 (C) by striking “Carryback and” in the heading thereof.

9 (2) APPLICATION TO LIMITATION ON FOREIGN OIL AND GAS TAXES.—Section 907(f)(1) is
10 amended by striking “in the first preceding taxable year and”.

11 (3) APPLICATION OF CARRYFORWARD TO TAXES ON GLOBAL INTANGIBLE LOW-TAXED
12 INCOME.—

13 (A) IN GENERAL.—Section 904(c) is amended by striking the last sentence.

14 (B) TEMPORARY LIMITATION OF CARRYFORWARD TO 5 TAXABLE YEARS.—Section
15 904(c), as amended by the preceding provisions of this Act, is amended—

16 (i) by striking “Any amount by which all taxes” and all that precedes it and
17 inserting the following:

18 “(c) Carryback and Carryover of Excess Tax Paid.—

19 “(1) IN GENERAL.—Any amount by which all taxes”, and

20 (ii) by adding at the end the following new paragraph:

21 “(2) TEMPORARY LIMITATION ON CARRYFORWARD OF TAXES ON GLOBAL INTANGIBLE
22 LOW-TAXED INCOME.—~~IN INCOME.—~~

23 “(A) IN GENERAL.—~~In~~ the case of taxes paid or accrued ~~during any taxable year~~
24 ~~beginning after December 31, 2022, and before January 1, 2031, and~~ with respect to
25 amounts described in subsection (d)(1)(A), paragraph (1) shall be applied by
26 substituting ‘5 succeeding taxable years’ for ‘10 succeeding taxable ~~years~~’.”. **years’.**

27 “(B) TERMINATION.—**Subparagraph (A) shall not apply to any tax paid or**
28 **accrued in a taxable year beginning after December 31, 2030.**”.

29 (d) Treatment of Certain Tax-exempt Dividends.—

30 (1) CERTAIN TAX-EXEMPT DIVIDENDS TAKEN INTO ACCOUNT IN APPLYING LIMITATIONS ON
31 FOREIGN TAX CREDITS.—Section 904(b) is amended by striking paragraph (4).

32 (2) CERTAIN TAX-EXEMPT DIVIDENDS NOT TAKEN INTO ACCOUNT IN ALLOCATING INTEREST
33 EXPENSE.—Section 864(e)(3) is amended by striking “or 245(a)” and inserting “, 245(a), or
34 245A”.

35 (e) Rules for Allocation of Certain Deductions to Foreign Source Global Intangible Low-taxed
36 Income for Purposes of Foreign Tax Credit Limitation.—Section 904(b), as amended by the
37 preceding provisions of this Act, is amended by adding at the end the following new paragraph:

1 “(4) DEDUCTIONS TREATED AS ALLOCABLE TO FOREIGN SOURCE GLOBAL INTANGIBLE
2 LOW-TAXED INCOME.—In the case of a domestic corporation and solely for purposes of the
3 application of subsection (a) with respect to amounts described in subsection (d)(1)(A), the
4 taxpayer’s taxable income from sources without the United States shall be determined—

5 “(A) by allocating and apportioning any deduction allowed under section
6 250(a)(1)(B) ~~250(a)(1)(B)~~ **250(a)(2)** (and any deduction allowed under section 164(a)(3) for taxes
7 imposed on amounts described in section ~~250(a)(1)(B)~~ **250(a)(2)**) to such income, and

8 “(B) by allocating and apportioning any other deduction to such income only if the
9 Secretary determines that such deduction is directly allocable to such income.

10 Any deduction which would (but for subparagraph (B)) have been allocated or apportioned
11 to such income shall only be allocated or apportioned to income which is from sources
12 within the United States.”.

13 (f) Treatment of Certain Asset Dispositions.—Section 904(b), as amended by the preceding
14 provisions of this Act, is amended by adding at the end the following new paragraph:

15 “(5) TREATMENT OF CERTAIN ASSET DISPOSITIONS.—

16 “(A) IN GENERAL.—Except as otherwise provided by the Secretary, in the case of
17 any covered asset disposition, the principles of section 338(h)(16) shall apply in
18 determining the source and character of any item for purposes of this part.

19 “(B) COVERED ASSET DISPOSITION.—For purposes of this paragraph, the term
20 ‘covered asset disposition’ means any transaction which—

21 “(i) is treated as a disposition of assets ~~for purposes of~~ **under** subchapter N of
22 this chapter, and

23 “(ii) is treated as a disposition of stock of a corporation (or is disregarded) for
24 purposes of the tax laws of a relevant foreign country or possession of the United
25 States.

26 “(C) REGULATIONS.—The Secretary shall issue such regulations or other guidance
27 as is necessary or appropriate to carry out, or to prevent the avoidance of, the purposes
28 of this paragraph.”.

29 (g) Redetermination of Foreign Taxes and Related Claims.—

30 (1) IN GENERAL.—Section 905(c) is amended—

31 (A) in paragraph (1), by striking “or” at the end of subparagraph (B) and by inserting
32 after subparagraph (C) the following new subparagraphs:

33 “(D) the taxpayer makes a timely change in its choice to claim a credit or deduction
34 for taxes paid or accrued, or

35 “(E) there is any other change in the amount, or treatment, of taxes, which affects
36 the taxpayer’s tax liability under this chapter,”,

37 (B) in paragraph (2)(B), by striking “Any such taxes” and inserting “Except as
38 otherwise provided by the Secretary, any such taxes”, ~~and (C) in paragraph (2)(B)(i),~~
39 ~~by striking “for the taxable year to which such taxes relate” and inserting “for the~~
40 ~~taxable year in which paid”, and~~

1 ~~(D)~~(C) by striking “Accrued” in the heading thereof.

2 (2) MODIFICATION TO TIME FOR CLAIMING CREDIT OR DEDUCTION.—Section 901(a) is
3 amended by striking the second sentence and inserting the following: “ Such choice for any
4 taxable year may be made or changed at any time before the expiration of the applicable
5 period prescribed by section 6511 for making a claim for credit or refund of an
6 overpayment of the tax imposed by this chapter for such taxable year that is attributable to
7 such amounts.”.

8 (3) MODIFICATION TO SPECIAL PERIOD OF LIMITATION.—Section 6511(d)(3) is amended—

9 (A) in subparagraph (A)—

10 (i) by inserting “~~change~~**a change** in the liability for” before “any taxes paid or
11 accrued”,

12 (ii) by striking “actually paid” and inserting “paid (or deemed paid under
13 section 960)”, and

14 (iii) by inserting “CHANGE IN THE LIABILITY FOR” before “FOREIGN TAXES” in
15 the heading thereof, and

16 (B) in subparagraph (B), by ~~inserting “an~~ **striking “the allowance of a credit for**
17 **the taxes” and inserting “the allowance of an** additional credit by reason of the
18 change in liability for **the taxes”** after “the allowance of”.

19 (h) Effective Dates.—

20 (1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made
21 by this section shall apply to taxable years beginning after December 31, 2022.

22 (2) MODIFICATION OF FOREIGN TAX CREDIT CARRYBACK AND CARRYFORWARD.—The
23 amendments made by subsection (c) shall apply to taxes paid or accrued in taxable years
24 beginning after December 31, 2022.

25 (3) TREATMENT OF CERTAIN ASSET ~~DISPOSITIONS.~~ **THE DISPOSITIONS.**—

26 (A) **IN GENERAL.**—**The** amendment made by subsection (f) shall apply to
27 transactions after the date of the enactment of this Act.

28 (B) **BINDING CONTRACT EXCEPTION.**—**The amendment made by subsection (f)**
29 **shall not apply to any transaction which is made pursuant to a written binding**
30 **contract which was in effect on September 13, 2021, and is not modified in any**
31 **material respect thereafter.**

32 (4) REDETERMINATION OF FOREIGN TAXES AND RELATED CLAIMS.—

33 (A) IN GENERAL.—Except as **otherwise** provided in ~~subparagraph (B)~~ **this**
34 **paragraph**, the amendments made by subsection (g) shall ~~take effect on the date~~
35 ~~which is 60 days after the date of the enactment of this Act.~~ **apply to taxes paid or**
36 **accrued in taxable years beginning after December 31, 2021.**

37 (B) CERTAIN CHANGES.—The amendments made by **subparagraphs (A) and (C) of**
38 subsection (g)(1)~~(A)~~ shall apply to changes that occur on or after the date which is 60
39 days after the date of the enactment of this Act.

1 **(C) MODIFICATION TO SPECIAL PERIOD OF LIMITATION.—The amendments made**
2 **by subsection (g)(3) shall apply to taxes paid, accrued, or deemed paid in taxable**
3 **years beginning after December 31, 2021.**

4 (i) Regulations.—The Secretary shall ~~prescribe rules~~ **issue regulations or other guidance**
5 providing for the application of ~~subsection (e)~~ **subsections (d), (e), (f), and (g)** of section 904 of
6 the Internal Revenue Code of 1986 (as added **amended** by this section), ~~and subsections (f) and~~
7 ~~(g) of such section, to any~~ **with respect to** amounts carried over under ~~subsection (e) of such~~
8 ~~section~~ **subsections (c), (f), or (g)** from a taxable year with respect to which ~~such~~ subsection (e)
9 ~~did of such section does~~ not apply to a taxable year with respect to which such subsection (e)
10 does apply **and from a taxable year with respect to which subsection (d)(1)(B) of such**
11 **section (determined without regard to the amendments made by this section) applies to a**
12 **taxable year with respect to which such section does not apply.**

13 **SEC. 138125. FOREIGN OIL AND GAS EXTRACTION**
14 **INCOME AND FOREIGN OIL RELATED INCOME TO**
15 **INCLUDE OIL SHALE AND TAR SANDS.**

16 (a) In General.—Paragraphs (1)(A) and (2)(A) of section 907(c) are each amended by
17 inserting “(or oil shale or tar sands)” after “oil or gas wells”.

18 (b) Effective Date.—The amendments made by this section shall apply to taxable years
19 beginning after December 31, 2021.

20 **SEC. 138126. MODIFICATIONS TO INCLUSION OF**
21 **GLOBAL INTANGIBLE LOW-TAXED INCOME.**

22 (a) Country-by-country Application of Section Based on CFC Taxable Units.—Section 951A
23 is amended by adding at the end the following new subsection:

24 “(g) Country-by-country Application of Section Based on CFC Taxable Units.—

25 “(1) IN GENERAL.—If any CFC taxable unit of a United States shareholder is a tax
26 resident of (or, in the case of a branch, is located in) a country which is different from the
27 country with respect to which any other CFC taxable unit of such United States shareholder
28 is a tax resident (or, in the case of a branch, is located in)—

29 “(A) such shareholder’s global intangible low-taxed income for purposes of
30 subsection (a) shall be the sum of the amounts of global intangible low-taxed income
31 determined separately with respect to each such country, and

32 “(B) for purposes of determining such separate amounts of global intangible
33 low-taxed income—

34 “(i) **except as otherwise provided by the Secretary**, any reference in
35 subsection (b), (c), or (d) to a controlled foreign corporation of such shareholder
36 shall be treated as reference to a CFC taxable unit of such shareholder, and

37 “(ii) net CFC tested income, net deemed tangible income return, qualified
38 business asset investment, interest expense described in subsection (b)(2)(B), and
39 such other items and amounts as the Secretary may provide, shall be determined

1 separately with respect to each such country by determining such amounts with
2 respect to ~~each~~ **the CFC taxable units** of such shareholder which ~~is~~ **are** a tax
3 resident of such country.

4 “(2) DEFINITIONS.—For purposes of this subsection—

5 “(A) CFC TAXABLE UNIT.—The term ‘CFC taxable unit’ means any taxable unit
6 described in clause (ii), (iii), or (iv) of section 904(e)(2)(B), determined—

7 “(i) by substituting ‘Each controlled foreign corporation’ for ‘Each foreign
8 corporation’ in clause (ii) of such section, and

9 “(ii) without regard to the references to the taxpayer in clauses (iii) and (iv) of
10 such section.

11 “(B) APPLICATION OF OTHER DEFINITIONS.—Terms used in this subsection which are
12 also used in section 904(e) shall have the same meaning as when used in section
13 904(e).

14 “(3) SPECIAL RULES.—For purposes of this subsection—

15 “(A) APPLICATION OF CERTAIN RULES.—Except as otherwise provided by the
16 Secretary, rules similar to the rules of section 904(e) shall apply.

17 “(B) ALLOCATION OF GLOBAL INTANGIBLE LOW-TAXED INCOME TO CONTROLLED
18 FOREIGN CORPORATIONS.—Except as otherwise provided by the Secretary, subsection
19 (f)(2) shall be applied separately with respect to each CFC taxable unit.”.

20 (b) Regulatory Authority.—

21 (1) IN GENERAL.—Section 951A, as amended by subsection (a), is amended by adding at
22 the end the following new subsection:

23 “(h) Regulations.—The Secretary shall issue such regulations or other guidance as may be
24 necessary or appropriate to carry out, or prevent the avoidance of, the purposes of this section,
25 including regulations or guidance which provide for—

26 “(1) the treatment of property if such property is transferred, or held, temporarily,

27 “(2) **the treatment of property if the avoidance of the purposes of this section is a**
28 **factor in the transfer or holding of such property,**

29 “(3) appropriate adjustments to the basis of stock and other ownership interests, and to
30 earnings and profits, to reflect tested losses (whether or not taken into account in
31 determining global intangible low-taxed income),

32 ~~“(3)“(4)~~“(4) rules similar to the rules provided under the regulations or guidance issued under
33 section 904(e)(4),

34 ~~“(4)“(5)~~“(5) other appropriate basis adjustments,

35 ~~and~~

36 ~~“(5)“(6)~~“(6) appropriate adjustments to be made, and appropriate tax attributes and records to
37 be maintained, separately with respect to CFC taxable ~~units.~~”.

38 **units, and**

1 **“(7) appropriate adjustments in determining tested income or tested loss if property**
2 **is transferred between related parties or amounts are paid or accrued between related**
3 **parties.”.**

4 (2) CONFORMING AMENDMENT.—Section 951A(d) is amended—

5 (A) by striking paragraph (4), and

6 (B) by redesignating the second paragraph (3) (relating to partnership property) as
7 paragraph (4).

8 (c) Carryover of Net CFC Tested Loss.—

9 (1) IN GENERAL.—Section 951A(c) is amended by adding at the end the following new
10 paragraph:

11 “(3) CARRYOVER OF NET CFC TESTED LOSS.—

12 “(A) IN GENERAL.—If the amount described in paragraph (1)(B) with respect to any
13 United States shareholder for any taxable year of such United States shareholder
14 (determined after the application of this paragraph with respect to amounts arising in
15 preceding taxable years) exceeds the amount described in paragraph (1)(A) with
16 respect to such shareholder of such taxable year, the amount otherwise described in
17 paragraph (1)(B) with respect to such shareholder for the succeeding taxable year shall
18 be increased by the amount of such excess.

19 “(B) PROPER ADJUSTMENT IN ALLOCATIONS OF GLOBAL INTANGIBLE LOW-TAXED
20 INCOME TO CONTROLLED FOREIGN CORPORATIONS.—Proper adjustments shall be made
21 in the application of subsection (f)(2)(B) to take into account any decrease in global
22 intangible low-taxed income by reason of the application of subparagraph (A).”.

23 (2) COORDINATION WITH COUNTRY-BY-COUNTRY APPLICATION.—Section
24 951A(g)(1)(B)(ii), as added by subsection (a), is amended by inserting “any increase
25 determined under subsection (c)(3)(A),” after “interest expense described in subsection
26 (b)(2)(B),”.

27 (3) APPLICATION OF RULES WITH RESPECT TO OWNERSHIP CHANGES.—Section 382(d) is
28 amended by adding at the end the following new paragraph:

29 “(4) APPLICATION TO CARRYOVER OF NET CFC TESTED LOSS.—The term ‘pre-change loss’
30 shall include any excess carried over under section 951A(c)(3) under rules similar to the
31 rules of paragraph (1).”.

32 (d) Reduction in Net Deemed Tangible Income Return for Purposes of Determining Global
33 Intangible Low-taxed Income.—

34 (1) IN GENERAL.—Section 951A(b)(2)(A) is amended by striking “10 percent” and
35 inserting “5 percent”.

36 (2) APPLICATION TO ASSETS LOCATED IN POSSESSIONS OF THE UNITED STATES.—Section
37 951A(b) is amended by adding at the end the following new paragraph:

38 “(3) APPLICATION TO ASSETS LOCATED IN POSSESSIONS OF THE UNITED STATES.—In the
39 case of any specified tangible property located in a possession of the United States,
40 paragraph (2)(A) and subsection (d) shall be applied by substituting ‘10 percent’ for ‘5

1 percent' in paragraph (2)(A).”.

2 (e) Inclusion of Foreign Oil and Gas Extraction Income in Determining Tested Income and
3 Loss.—Section 951A(c)(2)(A)(i) is amended by inserting “and” at the end of subclause (III), by
4 striking “and” at the end of subclause (IV) and inserting “over”, and by striking subclause (V).

5 (f) Coordination With Other Provisions.—Section 951A(f)(1) is amended by adding at the end
6 the following new subparagraph:

7 “(C) TREATMENT OF CERTAIN REFERENCES.—Except as otherwise provided by the
8 Secretary, references to section 951 or section 951(a) in sections 959, 961, 962, and
9 such other provisions as the Secretary may identify shall include references to section
10 951A or section 951A(a), respectively.”.

11 (g) Effective Date.—

12 (1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made
13 by this section shall apply to taxable years of foreign corporations beginning after
14 December 31, 2022, and to taxable years of United States shareholders in which or with
15 which such taxable years of foreign corporations end.

16 (2) REGULATORY AUTHORITY AND COORDINATION WITH OTHER PROVISIONS.—The
17 amendments made by subsections (b) and (f) shall apply to taxable years of foreign
18 corporations beginning after the date of the enactment of this Act, and to taxable years of
19 United States shareholders in which or with which such taxable years of foreign
20 corporations end.

21 (h) No Inference Regarding Certain Modifications.—The amendments made by subsections
22 (b) and (f) shall not be construed to create any inference with respect to the proper application of
23 any provision of the Internal Revenue Code of 1986 with respect to any taxable year beginning
24 before the taxable years to which such amendments apply.

25 **SEC. 138127. MODIFICATIONS TO DETERMINATION OF**
26 **DEEMED PAID CREDIT FOR TAXES PROPERLY**
27 **ATTRIBUTABLE TO TESTED INCOME.**

28 (a) Increase in Deemed Paid Credit.—Section 960(d)(1) is amended by striking “80 percent”
29 and inserting “95 percent (100 percent in the case of tested foreign income taxes paid or accrued
30 to a possession of the United States)”.

31 (b) Inclusion of Taxes Properly Attributable to Tested Loss.—

32 (1) IN GENERAL.—Section 960(d)(3) is amended to read as follows:

33 “(3) TESTED FOREIGN INCOME TAXES.—For purposes of paragraph (1), the term ‘tested
34 foreign income taxes’ means, with respect to any domestic corporation which is a United
35 States shareholder of a controlled foreign corporation—

36 “(A) the foreign income taxes paid or accrued by such foreign corporation which are
37 properly attributable to the tested income or tested loss of such foreign corporation
38 taken into account by such domestic corporation under section 951A, and

39 “(B) solely to the extent provided in regulations prescribed by the Secretary, the

1 foreign income taxes (as so defined) paid or accrued by a foreign corporation (other
2 than a controlled foreign corporation) which owns, directly or indirectly, 80 percent or
3 more (by vote or value) of the stock in such domestic corporation but only if—

4 “(i) such foreign income taxes are properly attributable to amounts of such
5 controlled foreign corporation taken into account in determining tested income or
6 tested loss under section 951A(c)(2), and

7 “(ii) no credit is allowed, in whole or in part, for such foreign taxes in any
8 foreign jurisdiction.”.

9 (2) CONFORMING AMENDMENT.—Section 960(d)(2)(B) is amended by striking “the
10 aggregate amount described in section 951A(c)(1)(A)” and inserting “the net CFC tested
11 income (as defined in section 951A(c)(1))”.

12 (c) Application of Foreign Tax Credit Limitation to Amounts Included Under Section 78.—

13 (1) Section 904(d)(2) is amended by redesignating subparagraph (K) as subparagraph (L)
14 and by inserting after subparagraph (J) the following new subparagraph:

15 “(K) AMOUNTS INCLUDIBLE UNDER SECTION 78.—Any amount includible in gross
16 income under section 78 shall be treated as income in the same separate category as the
17 related foreign taxes deemed paid.”.

18 (2) Section 904(d)(3)(G) is amended by striking the second sentence and inserting the
19 following: “Any amount included in gross income under section 78 shall not be treated as a
20 dividend.”.

21 (d) Disallowance of Foreign Tax Credit ~~and Deduction~~ With Respect to Distributions of
22 Previously Taxed Global Intangible Low-taxed Income.—Section 960(d) is amended by adding
23 at the end the following new paragraph:

24 “(4) DISALLOWANCE OF FOREIGN TAX CREDIT ~~AND DEDUCTION~~ WITH RESPECT TO
25 DISTRIBUTIONS OF PREVIOUSLY TAXED GLOBAL INTANGIBLE LOW-TAXED INCOME.—No credit
26 shall be allowed under section 901 for ~~5~~ **20** percent of any foreign income taxes paid or
27 accrued (or ~~treated as paid or accrued~~) **deemed paid under section 960(b)(1)** with respect
28 to any amount excluded from gross income under section 959(a) by reason of an inclusion
29 in gross income under section 951A(a).”.

30 (e) **Modification of Disallowance of Foreign Tax Credit Respect to Distributions of**
31 **Previously Taxed Global Intangible Low-taxed Income.—Section 960(d)(4), as added by**
32 **subsection (d), is amended by striking “20 percent” and inserting “5 percent”.**

33 (f) Effective Date.—

34 (1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made
35 by this section shall apply to taxable years of foreign corporations beginning after
36 December 31, 2022, and to taxable years of United States shareholders in which or with
37 which such taxable years of foreign corporations end.

38 (2) SUBSECTIONS (C) AND (D).—The amendments made by subsections (c) and (d) shall
39 apply to taxable years of foreign corporations beginning after the date of the enactment of
40 this Act, and to taxable years of United States shareholders in which or with which such
41 taxable years of foreign corporations end.

1 ~~(f)~~(g) No Inference Regarding Certain Modifications.—The amendments made by subsections
2 (c) and (d) shall not be construed to create any inference with respect to the proper application of
3 any provision of the Internal Revenue Code of 1986 with respect to any taxable year beginning
4 before the taxable years to which such amendments apply.

5 **SEC. 138128. DEDUCTION FOR FOREIGN SOURCE**
6 **PORTION OF DIVIDENDS LIMITED TO CONTROLLED**
7 **FOREIGN CORPORATIONS, ETC.**

8 (a) In General.—Section 245A is amended—

9 (1) in subsections (a), (c)(1), and (c)(2), by striking “specified 10-percent owned foreign
10 corporation” each place it appears and inserting “controlled foreign corporation”, and

11 (2) by striking subsection (b).

12 (b) Modifications Related to Determination of Status as a Controlled Foreign Corporation.—

13 (1) Subpart F of part III of subchapter N of chapter 1 is amended by inserting after
14 section 951A the following new section:

15 **“SEC. 951B. AMOUNTS INCLUDED IN GROSS INCOME**
16 **OF FOREIGN CONTROLLED UNITED STATES**
17 **SHAREHOLDERS.**

18 “(a) In General.—In the case of any foreign controlled United States shareholder of a foreign
19 controlled foreign corporation—

20 “(1) this subpart (other than sections 951A, 951(b), ~~957~~, and ~~965~~) **957**) shall be applied
21 with respect to such shareholder (separately from, and in addition to, the application of this
22 subpart without regard to this section)—

23 “(A) by substituting ‘foreign controlled United States shareholder’ for ‘United States
24 shareholder’ each place it appears therein, and

25 “(B) by substituting ‘foreign controlled foreign corporation’ for ‘controlled foreign
26 corporation’ each place it appears therein, and

27 “(2) ~~sections section~~ **section** 951A and ~~965~~ shall be applied with respect to such shareholder —

28 “(A) by treating each reference to ‘United States shareholder’ in such sections as
29 including a reference to such shareholder, and

30 “(B) by treating each reference to ‘controlled foreign corporation’ in such sections
31 as including a reference to such foreign controlled foreign corporation.

32 “(b) Foreign Controlled United States Shareholder.—For purposes of this section, the term
33 ‘foreign controlled United States shareholder’ means, with respect to any foreign corporation,
34 any United States person which would be a United States shareholder with respect to such
35 foreign corporation if—

36 “(1) section 951(b) were applied by substituting ‘more than 50 percent’ for ‘10 percent or
37 more’, and

1 “(2) section 958(b) were applied without regard to paragraph (4) thereof.

2 “(c) Foreign Controlled Foreign Corporation.—For purposes of this section, the term ‘foreign
3 controlled foreign corporation’ means a foreign corporation, other than a controlled foreign
4 corporation, which would be a controlled foreign corporation if section 957(a)(1) were applied—

5 “(1) by substituting ‘foreign controlled United States shareholders’ for ‘United States
6 shareholders’, and

7 “(2) by substituting ‘section 958(b) (other than paragraph (4) thereof)’ for ‘section
8 958(b)’.

9 “(d) Regulations.—The Secretary shall prescribe such regulations or other guidance as may be
10 necessary or appropriate to carry out the purposes of this section, including regulations or other
11 guidance—

12 “(1) to treat a foreign controlled United States shareholder or a foreign controlled foreign
13 corporation as a United States shareholder or as a controlled foreign corporation,
14 respectively, for purposes of provisions of this title other than this subpart, and

15 “(2) to prevent the avoidance of the purposes of this section.”.

16 (2) Section 957(a) is amended to read as follows:

17 “(a) Controlled Foreign Corporation.—For purposes of this title—

18 “(1) IN GENERAL.—The term ‘controlled foreign corporation’ means any foreign
19 corporation if more than 50 percent of—

20 “(A) the total combined voting power of all classes of stock of such corporation
21 entitled to vote, or

22 “(B) the total value of the stock of such corporation,

23 is owned (within the meaning of section 958(a)), or is considered as owned by applying the
24 rules of ownership of section 958(b), by United States shareholders on any day during the
25 taxable year of such foreign corporation.

26 “(2) ELECTION TO TREAT A FOREIGN CORPORATION AS A CONTROLLED FOREIGN
27 CORPORATION FOR CERTAIN PURPOSES.—

28 “(A) IN GENERAL.—In the case of a foreign corporation with respect to which an
29 election is in effect under this paragraph, such foreign corporation shall be treated as a
30 controlled foreign corporation for purposes of this title.

31 “(B) EXCEPTIONS.—Notwithstanding any other provision of this **paragraph, a**
32 **paragraph**—

33 ~~“(i) Coordination with rules for foreign controlled united states shareholders of~~
34 ~~foreign controlled foreign corporations.—~~

35 ~~“(I) In general.—Except as provided in subclause (II), a foreign corporation shall not~~
36 ~~be treated as a controlled foreign corporation by reason of this paragraph for purposes~~
37 ~~of section 951B(e).~~

38 ~~“(II) Exception for united states shareholders.—Subclause (I) shall not apply with~~
39 ~~respect to any United States shareholder of such foreign corporation.~~

1 ~~“(ii) Secretarial authority.~~—A foreign corporation shall not be treated as a controlled
2 foreign corporation by reason of this paragraph for purposes of any provision of this
3 title if the Secretary determines that treatment of such foreign corporation as a
4 controlled foreign corporation for purposes of such provision would be inconsistent
5 with the purposes of this subchapter.

6 “(C) ELECTION.—

7 “(i) BY WHOM.—An election under subparagraph (A) shall be effective only if
8 made by the foreign corporation and by all United States shareholders of such
9 foreign corporation (determined as of the time of such election by such foreign
10 corporation).

11 “(ii) WITH RESPECT TO WHOM.—Any election under this paragraph, once
12 effective, shall apply to such foreign corporation and to all United States
13 shareholders of such foreign corporation (including any person who becomes a
14 United States shareholder of such foreign corporation after such election takes
15 effect).

16 “(iii) TIME, MANNER, ETC.—The election under this paragraph shall be made at
17 such time and in such manner as the Secretary may provide and, once effective,
18 may be revoked only with the consent of the Secretary.

19 “(D) REGULATIONS.—The Secretary shall issue such regulations or other guidance
20 as may be necessary or appropriate to carry out the purposes of this paragraph,
21 including regulations or other guidance for the application of this paragraph to an
22 acquisition described in section 381(a) with respect to any corporation to which an
23 election under this paragraph applies.”.

24 (3) Section 958(b) is amended—

25 (A) by inserting after paragraph (3) the following:

26 “(4) Subparagraphs (A), (B), and (C) of section 318(a)(3) shall not be applied so as to
27 consider a United States person as owning stock which is owned by a person who is not a
28 United States person.”, and

29 (B) by striking “Paragraph (1)” in the last sentence and inserting “Paragraphs (1)
30 and (4)”.

31 (4) Section 959(b) is amended—

32 (A) by striking “the earnings and profits of a controlled foreign corporation” and
33 inserting “the earnings and profits of a foreign corporation”,

34 (B) by striking “another controlled foreign corporation” and inserting “a controlled
35 foreign corporation”,

36 (C) by striking “such other controlled foreign corporation” and inserting “such
37 controlled foreign corporation”, and

38 (D) by striking “of such United States shareholder in the controlled foreign
39 corporation” and inserting “of such United States shareholder in the foreign
40 corporation”.

1 (5) The table of sections for subpart F of part III of subchapter N of chapter 1 is amended
2 by inserting after the item relating to section 951A the following new item:

3 “Sec.951B.Amounts included in gross income of foreign controlled United States shareholders.”.

4 (c) Certain Other Modifications.—

5 (1) Section 245A(e)(4) is amended by striking “an amount received” and all that follows
6 through “for which the controlled foreign corporation received a deduction” and inserting
7 “any dividend received from a controlled foreign corporation for which such controlled
8 foreign corporation received a deduction”.

9 (2) Section 245A(g) is amended to read as follows:

10 “(g) Regulations.—The Secretary shall prescribe such regulations or other guidance as may be
11 necessary or appropriate to carry out the purposes of this section, including regulations or other
12 guidance for—

13 “(1) the treatment of United States shareholders owning stock of a controlled foreign
14 corporation through a partnership, and

15 “(2) the denial of all or a portion of the deduction under this section with respect to
16 dividends received from foreign corporations in situations in which—

17 “(A) any portion of the dividend is out of earnings and profits arising from
18 transactions with related parties which—

19 “(i) do not occur in the ordinary course of a trade or business, and

20 “(ii) occur on or after January 1, 2018, and during a taxable year to which
21 section 951A did not apply, or

22 “(B) a transfer or issuance of stock on or after January 1, 2018, results in a reduction
23 in a United States shareholder’s pro rata share of a controlled foreign corporation’s
24 subpart F income or tested income (as defined in section 951A).”.

25 (d) Conforming Amendments.—

26 (1) Section 91 is amended—

27 (A) in subsection (a), by striking “specified 10-percent owned foreign corporation
28 (as defined in section 245A)” and inserting “controlled foreign corporation”, and

29 (B) in subsection (e), by striking “specified 10-percent owned foreign corporation”
30 and inserting “controlled foreign corporation”.

31 (2)(A) The heading of section 245A is amended by striking “specified 10-percent owned
32 foreign corporations” and inserting “controlled foreign corporations”.

33 (B) The item relating to section 245A in the table of sections for part VIII of subchapter
34 B of chapter 1 is amended by striking “specified 10-percent owned foreign corporations”
35 and inserting “controlled foreign corporations”.

36 (3) Section 246(c)(5) is amended—

37 (A) in subparagraph (B), by striking “specified 10-percent owned foreign
38 corporation” each place it appears and inserting “controlled foreign corporation”, and

1 (B) by striking “SPECIFIED 10-PERCENT OWNED FOREIGN CORPORATION” in the
2 heading and inserting “CONTROLLED FOREIGN CORPORATION”.

3 (4) Section 904 is amended—

4 (A) in subsection (b)(4), by striking “specified 10-percent owned foreign
5 corporation” both places it appears and inserting “controlled foreign corporation”, and

6 (B) in subsection (d)(2)(E)—

7 (i) in clause (i)(I), by striking “(as defined in section 245A(b))”, and

8 (ii) by redesignating clause (ii) as clause (iii) and by inserting after clause (i)
9 the following new clause:

10 “(ii) SPECIFIED 10-PERCENT OWNED FOREIGN CORPORATION.—For purposes of
11 this subparagraph—

12 “(I) IN GENERAL.—The term ‘specified 10-percent owned foreign
13 corporation’ means any foreign corporation with respect to which any
14 domestic corporation is a United States shareholder with respect to such
15 corporation.

16 “(II) EXCLUSION OF PASSIVE FOREIGN INVESTMENT COMPANIES.—Such
17 term shall not include any corporation which is a passive foreign investment
18 company (as defined in section 1297) with respect to the shareholder and
19 which is not a controlled foreign corporation.”.

20 (5) Section 909(b) is amended by striking “(as defined in section 245A(b) without regard
21 to paragraph (2) thereof)” and inserting “(as defined in section 904(d)(2)(E)(ii) without
22 regard to subclause (II) thereof)”.

23 (6) Section 961(d) is amended—

24 (A) by striking “specified 10-percent owned foreign corporation (as defined in
25 section 245A)” and inserting “controlled foreign corporation”, and

26 (B) by striking “Specified 10-percent Owned Foreign Corporation” in the heading
27 and inserting “Controlled Foreign Corporation”.

28 (e) Effective Dates.—

29 (1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made
30 by this section shall apply to distributions made after the date of the enactment of this Act.

31 (2) MODIFICATIONS RELATED TO DETERMINATION OF STATUS AS A CONTROLLED FOREIGN
32 CORPORATION.—The amendments made by subsection (b) shall apply to taxable years of
33 foreign corporations beginning after the date of the enactment of this Act, and taxable years
34 of United States persons in which or with which such taxable years of foreign corporations
35 end.

36 (f) No Inference Regarding Certain Modifications.—The amendments made by subsections
37 (b)(1), (b)(3), (b)(5), and (c) shall not be construed to create any inference with respect to the
38 proper application of any provision of the Internal Revenue Code of 1986 with respect to
39 distributions made, or taxable years beginning, respectively, before the distributions or taxable
40 years, respectively, to which such amendments apply.

1 SEC. 138129. LIMITATION ON FOREIGN BASE 2 COMPANY SALES AND SERVICES INCOME.

3 (a) Foreign Base Company Sales ~~Income.~~—~~Section~~ **Income.**—

4 **(1) IN GENERAL.**—**Section** 954(d)(2) is amended to read as follows:

5 “(2) LIMITATION AND REGULATORY AUTHORITY.—

6 “(A) IN GENERAL.—For purposes of this subsection, the term ‘related person’ shall
7 not include any person unless such person is—

8 “(i) a taxable unit which is a tax resident of (or, in the case of a branch, is
9 located in) the United States, or

10 “(ii) is subject to tax under this chapter by reason of such person’s activities in
11 the United States.

12 “(B) REGULATIONS.—The Secretary shall issue such regulations or other guidance
13 as may be necessary or appropriate to carry out the purposes of this subsection (and
14 subsection (e)), including—

15 “(i) regulations or other guidance providing for the proper application of
16 subparagraph (A) in the case of a transaction (or series of transactions) in which a
17 person described in subparagraph (A) is a party, and

18 “(ii) regulations or other guidance providing that, ~~for purposes of determining~~
19 ~~foreign base company sales income in situations in which any activity (including~~
20 ~~a transaction) or the legal status of a pass-through entity or branch held directly or~~
21 ~~indirectly by a controlled foreign corporation and that is~~ **(whether tax resident or**
22 **located inside or** outside the country in which the controlled foreign corporation
23 is a tax resident, ~~the pass-through entity or branch~~) shall be treated as a wholly
24 owned subsidiary of the controlled foreign corporation.

25 “(C) CERTAIN TERMS.—Any term used in this ~~paragraph~~ **subsection or subsection**
26 **(e)** which is also used in section 904(e) shall have the same meaning as when used in
27 such section.”.

28 **(2) CONFORMING AMENDMENT.**—**Section 954(d)(1)(A) is amended by striking “under**
29 **the laws of which the controlled foreign corporation is created or organized” and**
30 **inserting “in which the controlled foreign corporation is a tax resident”.**

31 (b) Foreign Base Company Services ~~Income.~~—~~Section~~ **Income.**—

32 **(1) IN GENERAL.**—**Section** 954(e)(1)(A) is amended by striking “subsection (d)(3)” and
33 inserting “subsection (d)”.

34 **(2) CONFORMING AMENDMENT.**—**Section 954(e)(1)(B) is amended by striking “under**
35 **the laws of which the controlled foreign corporation is created or organized” and**
36 **inserting “in which the controlled foreign corporation is a tax resident”.**

37 (c) Certain Other Modifications.—

38 (1) Section 78 is amended by striking “, (b)”.

1 (2)(A) Section 951(a) is amended to read as follows:

2 “(a) Amounts Included.—

3 “(1) IN GENERAL.—If a foreign corporation is a controlled foreign corporation ~~for~~ **on** any
4 **day during a** taxable year, every person who is a United States shareholder of such
5 corporation, and who owns (within the meaning of section 958(a)) stock in such corporation
6 ~~at any time during such taxable year of such corporation~~ **on any such day**, shall include in
7 such shareholder’s gross income for such shareholder’s taxable year in which or with which
8 such taxable year of such corporation ends—

9 “(A) his pro rata share (determined under paragraph (2)) of the corporation’s subpart
10 F income for such year, and

11 “(B) if such shareholder owns (within the meaning of section 958(a)) stock of such
12 foreign corporation as of the close of the last relevant day of such foreign corporation’s
13 taxable year, the amount determined under section 956 with respect to such
14 shareholder for such year (but only to the extent not excluded from gross income under
15 section 959(a)(2)).

16 “(2) PRO RATA SHARE OF SUBPART F INCOME.—In the case of any United States
17 shareholder with respect to a foreign corporation, the pro rata share referred to in paragraph
18 (1)(A) is the sum of—

19 “(A) if such shareholder owns (within the meaning of section 958(a)) stock of such
20 foreign corporation as of the close of the last relevant day of such foreign corporation’s
21 taxable year, such shareholder’s general pro rata share determined under paragraph (3),
22 plus

23 “(B) if such shareholder owns (within the meaning of section 958(a)) stock of such
24 foreign corporation during such taxable year but does not own (within the meaning of
25 section 958(a)) such stock as of the close of such last relevant day, such shareholder’s
26 nontaxed current dividend share determined under paragraph (4).

27 “(3) GENERAL PRO RATA SHARE.—

28 “(A) IN GENERAL.—In the case of any United States shareholder with respect to a
29 foreign corporation, the general pro rata share determined under this paragraph is the
30 excess (if any) of—

31 “(i) the pro rata current earnings percentage of the amount which bears the
32 same ratio to such corporation’s subpart F income for the taxable year (reduced
33 by the aggregate nontaxed current dividend shares determined under paragraph
34 (4) with respect to such shareholder or any other United States shareholder) as the
35 part of such year during which such corporation is a controlled foreign
36 corporation bears to the entire year, over

37 “(ii) the lesser of—

38 “(I) the amount of any pre-holding period dividends with respect to stock
39 of such foreign corporation which such shareholder owns (within the
40 meaning of section 958(a)) as of the close of the last relevant day of such
41 foreign corporation’s taxable year, or

1 “(II) the amount which bears the same ratio to the subpart F income of
2 such corporation for the taxable year (reduced by the aggregate nontaxed
3 current dividend shares determined under paragraph (4) with respect to such
4 shareholder or any other United States shareholder) as the part of such year
5 during which such shareholder did not own (within the meaning of section
6 958(a)) such stock bears to the entire year.

7 “(B) PRO RATA CURRENT EARNINGS PERCENTAGE.—For purposes of subparagraph
8 (A)(i), the term ‘pro rata current earnings percentage’ means, in the case of any United
9 States shareholder with respect to a foreign corporation for any taxable year of such
10 foreign corporation, the ratio (expressed as a percentage) of—

11 “(i) the amount which would have been distributed with respect to the stock
12 which such shareholder owns (within the meaning of section 958(a)) in such
13 corporation if on the last relevant day of such taxable year it had distributed its
14 earnings and profits for such taxable year (computed as of the close of such
15 taxable year without diminution by reason of any distributions made during such
16 taxable year), divided by

17 “(ii) such corporation’s earnings and profits for such taxable year (as so
18 computed).

19 “(C) PRE-HOLDING PERIOD DIVIDENDS.—For purposes of subparagraph (A)(ii)(I), the
20 term ‘pre-holding period dividends’ means, in the case of any United States
21 shareholder with respect to a foreign corporation for any taxable year of such foreign
22 corporation, dividends which are—

23 “(i) made out of such corporation’s earnings and profits for the taxable year
24 (other than nontaxed current dividends as defined in paragraph (4)(C)), and

25 “(ii) received—

26 “(I) by any other United States person with respect to stock of such
27 foreign corporation which such shareholder owns (within the meaning of
28 section 958(a)) as of the close of the last relevant day of such foreign
29 corporation’s taxable year, and

30 “(II) while such foreign corporation was a controlled foreign corporation
31 and before such shareholder owned (within the meaning of section 958(a))
32 such stock.

33 “(4) NONTAXED CURRENT DIVIDEND SHARE.—

34 “(A) IN GENERAL.—In the case of any United States shareholder with respect to a
35 foreign corporation, the nontaxed current dividend share determined under this
36 paragraph is the nontaxed current dividend percentage of the subpart F income of such
37 foreign corporation for the taxable year.

38 “(B) NONTAXED CURRENT DIVIDEND PERCENTAGE.—For purposes of this paragraph,
39 the term ‘nontaxed current dividend percentage’ means, in the case of any United
40 States shareholder with respect to a foreign corporation for any taxable year of such
41 foreign corporation, the ratio (expressed as a percentage) of—

1 “(i) the amount of nontaxed current dividends with respect to such taxable year
2 received with respect to the stock of such foreign corporation which such
3 shareholder owns (within the meaning of section 958(a)) at the time of the
4 dividend on a day in which such corporation is a controlled foreign corporation,
5 divided by

6 “(ii) such foreign corporation’s earnings and profits for such taxable year
7 (computed as of the close of such taxable year without diminution by reason of
8 any distributions made during such taxable year).

9 “(C) NONTAXED CURRENT DIVIDENDS.—For purposes of this paragraph, the term
10 ‘nontaxed current dividends’ means the portion of any amount received with respect to
11 stock to the extent such amount (without regard to amounts included in the gross
12 income of a United States shareholder for the taxable year by reason of this subpart)—

13 “(i) would result in a dividend out of the corporation’s earnings and profits for
14 the taxable year (including a dividend under section 1248 attributable to earnings
15 and profits for the taxable year), and

16 “(ii) either—

17 “(I) would give rise to a deduction under section 245A(a), or

18 “(II) in the case of a dividend paid directly or indirectly to a controlled
19 foreign corporation with respect to stock owned by the shareholder within
20 the meaning of section 958(a)(2), would not result in subpart F income with
21 respect to such controlled foreign corporation by reason of subsection (b)(4),
22 (c)(3), or (c)(6) of section 954.

23 “(5) LAST RELEVANT DAY OF TAXABLE YEAR OF A CONTROLLED FOREIGN
24 CORPORATION.—For purposes of this subsection, the term ‘last relevant day’ means, with
25 respect to any taxable year of a foreign corporation, the last day of such taxable year on
26 which such corporation is a controlled foreign corporation.

27 “(6) REGULATIONS.—The Secretary may prescribe such regulations or other guidance as
28 may be necessary or appropriate to carry out the purposes of this subsection, including
29 regulations or other guidance—

30 “(A) to treat a partnership as an aggregate of its partners,

31 “(B) to provide rules allowing a foreign corporation to close its taxable year upon a
32 change in ownership, and

33 “(C) to treat a distribution followed by an issuance of stock to a shareholder not
34 subject to tax under this chapter in the same manner as an acquisition of stock.”.

35 (B) Section 951A(a) is amended to read as follows:

36 “(a) In General.—If a foreign corporation is a controlled foreign corporation ~~for~~ **on any day**
37 **during a** taxable year, every person who is a United States shareholder of such corporation, and
38 who owns (within the meaning of section 958(a)) stock in such corporation ~~at any time during~~
39 ~~such taxable year of such corporation~~ **on any such day**, shall include in such shareholder’s gross
40 income for such shareholder’s taxable year in which or with which such taxable year of such
41 corporation ends, such shareholder’s global intangible low-taxed income for such taxable year.”.

1 (C) Section 951A(e) is amended to read as follows:

2 “(e) Determination of Pro Rata Shares.—For purposes of this section, the pro rata shares
3 referred to in subsections (b), (c)(1)(A), and (c)(1)(B), respectively, shall be determined under
4 rules similar to the rules of section 951(a)(2) and shall be taken into account in the taxable year
5 of the United States shareholder in which or with which the taxable year of the controlled foreign
6 corporation ends.”.

7 (D) Section 953(c)(5)(A)(i) is amended—

8 (i) in subclause (I), by adding “and” at the end,

9 (ii) in subclause (II)—

10 (I) by striking “on the last day of the taxable year” and inserting “during the
11 taxable year”, and

12 (II) by striking “and” at the end and inserting “or”, and

13 (iii) by striking subclause (III).

14 (3) Section 959 is amended by adding at the end the following:

15 “(g) Regulations.—The Secretary shall issue such regulations or other guidance as may be
16 necessary or appropriate to carry out the purposes of this section.”.

17 (4) Section 961(b)(1) is amended by inserting after the first sentence the following: “The
18 Secretary shall prescribe such other reductions to basis as are necessary or appropriate to
19 carry out the purposes of this section.”.

20 (5) Section 961(c) is amended—

21 (A) by striking “Basis Adjustments in” in the heading of such subsection and
22 inserting “Application of Rules to”, and

23 (B) by striking “then adjustments similar to” and all that follows in such subsection
24 and inserting “then rules similar to the rules of subsections (a) and (b) shall apply to—

25 “(1) such stock,

26 “(2) stock in any other controlled foreign corporation by reason of which the United
27 States shareholder is considered under section 958(a)(2) as owning the stock described in
28 paragraph (1), and

29 “(3) property by reason of which the United States shareholder is considered as owning
30 stock described in paragraph (1) or (2),

31 but only for purposes of determining the amount included under section 951 in the gross income
32 of such United States shareholder (or any other United States shareholder who acquires from any
33 person any portion of the interest of such United States shareholder by reason of which such
34 shareholder was treated as owning such stock, but only to the extent of such portion, and subject
35 to such proof of identity of such interest as the Secretary may prescribe by regulations). The
36 preceding sentence shall not apply with respect to any stock or property to which subsection (a)
37 or (b) applies.”.

38 (d) Effective Dates.—The amendments made by this section shall apply to taxable years of
39 foreign corporations beginning after December 31, 2021, and to taxable years of United States

1 shareholders in which or with which such taxable years of foreign corporations end.

2 (e) No Inference Regarding Certain Modifications.—The amendments made by paragraphs (1)
3 and (2) of subsection (c) shall not be construed to create any inference with respect to the proper
4 application of any provision of the Internal Revenue Code of 1986 with respect to any taxable
5 year beginning before the taxable years to which such amendments apply.

6 Subpart D—Inbound International Provisions

7 SEC. 138131. MODIFICATIONS TO BASE EROSION AND 8 ANTI-ABUSE TAX.

9 (a) Modifications to Base Erosion Minimum Tax Amount.—

10 (1) MODIFICATION OF RATES.—Section 59A(b)(1)(A) is amended by striking “10 percent
11 (5 percent in the case of taxable years beginning in calendar year 2018)” and inserting “the
12 applicable percentage”.

13 (2) BASE EROSION MINIMUM TAX AMOUNT DETERMINED WITHOUT REGARD TO
14 CREDITS.—Section 59A(b)(1)(B) is amended to read as follows:

15 “(B) an amount equal to the regular tax liability (as defined in section 26(b)) of the
16 taxpayer for the taxable year.”.

17 (3) APPLICABLE PERCENTAGE.—Section 59A(b)(2) is amended to read as follows:

18 “(2) APPLICABLE PERCENTAGE.—For purposes of this section, the term ‘applicable
19 percentage’ means—

20 “(A) in the case of any taxable year beginning after December 31, 2021, and before
21 January 1, 2023, 10 percent,

22 “(B) in the case of any taxable year beginning after December 31, 2022, and before
23 January 1, 2024, 12.5 percent,

24 “(C) in the case of any taxable year beginning after December 31, 2023, **and before**
25 **January 1, 2025**, 15 percent, and

26 “(D) in the case of any taxable year beginning after December 31, 2024, 18
27 percent.”.

28 (4) TAXPAYERS SUBJECT TO RULES FOR BANKS AND SECURITIES DEALERS.—Section
29 59A(b)(3)(B) is amended to read as follows:

30 “(B) TAXPAYER DESCRIBED.—A taxpayer is described in this subparagraph if such
31 taxpayer is—

32 “(i) a bank (as defined in section 585(a)(2)),

33 “(ii) a securities dealer registered under section 15(a) of the Securities
34 Exchange Act of 1934, or

35 “(iii) a member of an affiliated group (as defined in section 1504(a)(1),
36 determined without regard to section 1504(b)(3)) which includes any person
37 described in clause (i) or (ii).”.

1 (5) TERMINATION OF INCREASED RATE FOR BANKS AND SECURITIES DEALERS.—Section
2 59A(b)(3) is amended by adding at the end the following new subparagraph:

3 “(C) TERMINATION.—Subparagraph (A) shall not apply to any taxable year
4 beginning after December 31, 2024.”

5 (6) GENERAL BUSINESS CREDIT ALLOWED AGAINST BASE EROSION AND ANTI-ABUSE
6 TAX.—Section 38(c)(1) is amended by striking “the tax imposed by section 55” and
7 inserting “the taxes imposed by sections 55 and 59A”.

8 (7) CONFORMING AMENDMENTS.—

9 (A) Section 59A(b)(3)(A) is amended by striking “paragraphs (1)(A) and (2)(A)
10 shall each” and inserting “paragraph (2) shall”.

11 (B) Section 59A(b) is amended by striking paragraph (4).

12 (b) Modification of Rules for Determining Modified Taxable Income.—

13 (1) IN GENERAL.—Section 59A(c) is amended to read as follows:

14 “(c) Modified Taxable Income.—For purposes of this section—

15 “(1) IN GENERAL.—The term ‘modified taxable income’ means the taxable income of the
16 taxpayer computed under this chapter for the taxable year with the following adjustments:

17 “(A) BASE EROSION PAYMENTS.—Taxable income shall be determined without
18 regard to any base erosion tax benefit, including for purposes of determining the
19 adjusted basis of property described in subsection (d)(2).

20 “(B) ADJUSTMENTS WITH RESPECT TO COST OF GOODS SOLD.—Cost of goods sold
21 shall be determined without regard to any base erosion payment described in
22 subparagraph (A) or (B) of subsection (d)(5).

23 “(C) NET OPERATING LOSSES.—The net operating loss deduction for the taxable year
24 under section 172 shall be determined—

25 “(i) by substituting ‘modified taxable income (as determined under section
26 59A(c)(1) without regard to subparagraph (C) thereof)’ for ‘taxable income’ in
27 section 172(a)(2)(B)(ii)(I),

28 “(ii) by determining any net operating loss arising in any taxable year
29 beginning after December 31, 2021, without regard to any base erosion tax benefit
30 (determined with respect to each such taxable year), and

31 “(iii) by making appropriate adjustments in the application of section 172(b)(2)
32 to take into account clauses (i) and (ii) of this subparagraph.

33 “(D) APPLICATION OF CERTAIN OTHER ADJUSTMENTS.—Except as otherwise provided
34 by the Secretary, rules similar to the rules of subsections (g) and (h) of section 59 shall
35 apply.

36 “(2) BASE EROSION TAX BENEFIT.—The term ‘base erosion tax benefit’ means—

37 “(A) any deduction allowed under this chapter for the taxable year with respect to
38 any base erosion payment described in subsection (d)(1),

1 “(B) in the case of a base erosion payment described in subsection (d)(2), any
2 deduction allowed under this chapter for the taxable year for depreciation (or
3 amortization in lieu of depreciation) with respect to ~~the property acquired with such~~
4 ~~payment~~, **property referred to in subparagraph (A) or (B) of such subsection to**
5 **the extent of the amounts described in such subsection with respect to such**
6 **property,**

7 “(C) in the case of a base erosion payment described in subsection (d)(3)—

8 “(i) any reduction under section 803(a)(1)(B) in the gross amount of premiums
9 and other consideration on insurance and annuity contracts for premiums and
10 other consideration arising out of indemnity insurance, and

11 “(ii) any deduction under section 832(b)(4)(A) from the amount of gross
12 premiums written on insurance contracts during the taxable year for premiums
13 paid for reinsurance, and

14 “(D) in the case of a base erosion payment described in subsection (d)(4), any
15 reduction in gross receipts with respect to such payment in computing gross income of
16 the taxpayer for the taxable year for purposes of this chapter.”.

17 **(2) CERTAIN PAYMENTS WITH RESPECT TO PROPERTY PRODUCED BY THE**
18 **TAXPAYER.—Section 59A(d)(2) is amended to read as follows:**

19 **“(2) TREATMENT OF CERTAIN RELATED-PARTY PAYMENTS WITH RESPECT TO**
20 **DEPRECIABLE PROPERTY.—Such term shall also include any amount paid or accrued**
21 **by the taxpayer to a foreign person which is a related party of the taxpayer in**
22 **connection with—**

23 **“(A) the acquisition by the taxpayer from such person of property of a**
24 **character subject to the allowance for depreciation (or amortization in lieu of**
25 **depreciation), or**

26 **“(B) property produced by the taxpayer that is of a character subject to the**
27 **allowance for depreciation (or amortization in lieu of depreciation) if such**
28 **amount is required to be capitalized under section 263A, including payments in**
29 **respect of indebtedness or services.”.**

30 **(3) CERTAIN PAYMENTS WITH RESPECT TO INVENTORY TREATED AS BASE EROSION**
31 **PAYMENTS.—Section 59A(d) is amended by redesignating paragraph (5) as paragraph (6)**
32 **and by inserting after paragraph (4) the following new paragraph:**

33 **“(5) CERTAIN PAYMENTS WITH RESPECT TO INVENTORY.—**

34 **“(A) INDIRECT COSTS INCLUDED IN INVENTORY UNDER SECTION 263A.—Such term**
35 **shall also include any amount paid or incurred by the taxpayer to a foreign person**
36 **which is a related party of the taxpayer if such amount is described in paragraph (2)(B)**
37 **of section 263A(a) and required to be included in inventory costs of the taxpayer under**
38 **paragraph (1)(A) of such section. ~~Such~~“(B) Certain costs of foreign related**
39 **parties.—Such term shall also include so much of any amount paid or incurred by the**
40 **taxpayer to a foreign person which is a related party of the taxpayer ~~in connection with~~**
41 **the acquisition by the taxpayer from such foreign person of property which is**
42 **inventory in the hands of the taxpayer if such amount is capitalized to the basis of**

1 **property that is of a character subject to the allowance for depreciation (or**
2 **amortization in lieu of depreciation), and the depreciation (or amortization in lieu**
3 **of depreciation) is required to be included in inventory costs of the taxpayer**
4 **under section 263A(a)(1)(A).**

5 **“(B) CERTAIN COSTS OF FOREIGN RELATED PARTIES.—Such term shall also**
6 **include so much of any amount which is paid or incurred by the taxpayer to a**
7 **foreign person which is a related party of the taxpayer, is described in paragraph**
8 **(2)(A) of section 263A(a), and is required to be included in inventory costs of the**
9 **taxpayer under paragraph (1)(A) of such section, as exceeds the sum of—**

10 “(i) the direct costs of such property in the hands of such foreign person, plus

11 “(ii) so much of the costs described in section 263A(a)(2)(B) with respect to
12 such property in the hands of such foreign person as the taxpayer demonstrates to
13 the satisfaction of the Secretary are attributable to amounts—

14 “(I) paid or incurred by such foreign person to a United States person or a
15 person which is not a related party of the taxpayer, or

16 “(II) otherwise subject to the tax imposed by this chapter.

17 **“(C) APPLICATION TO RELATED-PARTY TRANSACTIONS.—In the case of direct costs**
18 **otherwise described in clause (i) of subparagraph (B) which are paid or incurred by the**
19 **foreign person referred to in such clause to another foreign person which is a related**
20 **party of the taxpayer, such costs shall be taken into account under such clause only to**
21 **the extent that the taxpayer demonstrates to the satisfaction of the Secretary that such**
22 **costs are attributable to amounts—**

23 “(i) paid or incurred (directly or indirectly) to a United States person or a
24 person which is not a related party of the taxpayer, or

25 “(ii) otherwise subject to the tax imposed by this chapter.

26 **“(D) SAFE HARBOR WITH RESPECT TO INDIRECT COSTS OF FOREIGN RELATED**
27 **PARTIES.—In the case of a taxpayer which elects the application of this subparagraph**
28 **(at such time, in such manner, and with respect to such inventory property, as the**
29 **Secretary may provide), the amount described in subparagraph (B)(ii) with respect to**
30 **such property shall be treated for purposes of this section as being equal to 20 percent**
31 **of the amount paid or incurred by the taxpayer to the related party of the taxpayer in**
32 **connection with the acquisition of such property.**

33 **“(E) APPLICATION OF CERTAIN RULES.—Rules similar to the rules of subparagraphs**
34 **(B) and (C) of subsection (i)(1) shall apply for purposes of determining whether any**
35 **amount is treated as subject to the tax imposed by this chapter for purposes of**
36 **subparagraph (B) or (C) of this paragraph.”.**

37 ~~(3)~~**(4) EXPANSION AND CONSOLIDATION OF RULES TO EXEMPT CERTAIN PAYMENTS FROM**
38 **TREATMENT AS BASE EROSION PAYMENTS.—**

39 **(A) IN GENERAL.—Section 59A is amended by redesignating subsection (i) as**
40 **subsection (j) and by inserting after subsection (h) the following new subsection:**

41 **“(i) Certain Payment Not Treated as Base Erosion Payments.—**

1 “(1) EXCEPTION FOR PAYMENTS ON WHICH TAX IS IMPOSED.—

2 “(A) IN GENERAL.—An amount shall not be treated as a base erosion payment if tax
3 is **(or was at the time of payment or accrual)** imposed by this chapter with respect to
4 such amount (other than by this section).

5 “(B) TREATMENT OF CERTAIN DEDUCTIONS.—For purposes of subparagraph (A), tax
6 shall be treated as imposed by this chapter without regard to any deduction allowed
7 under part VIII of subchapter B.

8 “(C) APPLICATION OF CERTAIN RULES.—The amount not treated as a base erosion
9 payment by reason of this paragraph shall be determined under rules similar to the
10 rules of section 163(j)(5) (as in effect before the date of the enactment of Public Law
11 115-97).

12 “(2) EXCEPTION FOR CERTAIN PAYMENTS SUBJECT TO SUFFICIENT FOREIGN TAX.—

13 “(A) IN GENERAL.—An amount shall not be treated as a base erosion payment if the
14 taxpayer establishes to the satisfaction of the Secretary that such amount was ~~not~~ made
15 to a foreign person which is a related party of the taxpayer that is subject to an
16 effective rate of foreign income tax (as defined in section 904(d)(2)(F)) which is not
17 less than the lesser of—

18 “(i) 15 percent, or

19 “(ii) the applicable percentage in effect under subsection (b)(2) (determined
20 without regard to subsection (b)(3)) for the taxable year in which such amount is
21 paid or accrued.

22 “(B) CERTAIN PAYMENTS TO RELATED PARTIES.—To the extent provided by the
23 Secretary in regulations, an amount paid to a foreign person which is a related party of
24 the taxpayer shall be treated as paid to another foreign person which is a related party
25 of the taxpayer if such second foreign person is subject to an effective rate of foreign
26 income tax (as defined in section 904(d)(2)(F)) which is less than the lesser of 15
27 percent or the percentage described in subparagraph (A)(ii), to the extent the amount so
28 paid directly or indirectly funds a payment to such second foreign person.

29 “(C) DETERMINATION ON BASIS OF APPLICABLE FINANCIAL STATEMENTS.—Except as
30 otherwise provided by the Secretary under subparagraph (D), the effective rate of
31 foreign income tax with respect to any amount may be established on the basis of
32 applicable financial statements (as defined in section 451(b)(3)).

33 “(D) REGULATIONS.—The Secretary shall issue such regulations or other guidance
34 as may be necessary or appropriate to carry out the purposes of this paragraph,
35 including regulations or other guidance providing procedures for determining the
36 effective rate of foreign income tax to which any amount is subject. Such procedures
37 may require that any transaction or series of transactions among multiple parties be
38 recharacterized as one or more transactions directly among any 2 or more of such
39 parties where the Secretary determines that such recharacterization is appropriate to
40 carry out, or prevent avoidance of, the purposes of this section.

41 “(3) EXCEPTION FOR CERTAIN AMOUNTS WITH RESPECT TO SERVICES.—Subsections (d)(1)
42 and (d)(5)(A) shall not apply to so much of any amount paid or accrued by a taxpayer for

1 services as does not exceed the total services cost of such services. The preceding sentence
2 shall not apply unless such services meet the requirements for eligibility for use of the
3 services cost method under section 482 (determined without regard to the requirement that
4 the services not contribute significantly to fundamental risks of business success or
5 failure).”.

6 (B) CONFORMING AMENDMENT.—Section 59A(d), as amended by paragraph (2), is
7 amended by striking paragraph (6).

8 (c) Termination of Exemption From Base Erosion and Anti-abuse Tax for Taxpayers With
9 Low Base Erosion Percentage.—Section 59A(e)(1)(C) is amended by striking “the base erosion
10 percentage (as determined under subsection (c)(4))” and inserting “in the case of any taxable
11 year beginning before January 1, 2024, the base erosion percentage (as determined under
12 subsection (c)(4) as in effect before the date of the enactment of the Act enacted during the 117th
13 Congress which is entitled ‘An Act to provide for reconciliation pursuant to title II of S. Con.
14 Res. 14.’)”.

15 (d) Treatment of Applicable Taxpayers.—Section 59A(e) is amended by adding at the end the
16 following new paragraph:

17 “(4) CONTINUATION OF TREATMENT AS APPLICABLE TAXPAYER.—If a taxpayer is an
18 applicable taxpayer with respect to any taxable year beginning after December 31, 2021
19 (other than by reason of this paragraph), such taxpayer (and any successor of such taxpayer)
20 shall be an applicable taxpayer with respect to each of the 10 succeeding taxable years.”.

21 (e) Other Modifications.—

22 (1) Section 59A(b)(1) is amended by striking “Except as provided in paragraphs (2) and
23 (3), the” and inserting “The”.

24 (2) Section 59A(h)(2)(B) is amended by striking “section 6038B(b)(2)” and inserting
25 “section 6038A(b)(2)”.

26 (3) Section 59A(j)(2), as redesignated by subsection (b), is amended by striking
27 “subsection (g)(3)” and inserting “subsection (h)(3)”.

28 (f) Effective Date.—The amendments made by this section shall apply to taxable years
29 beginning after December 31, 2021.

30 Subpart E—Other Business Tax Provisions

31 SEC. 138141. CREDIT FOR CLINICAL TESTING OF 32 ORPHAN DRUGS LIMITED TO FIRST USE OR 33 INDICATION.

34 (a) In General.—Section 45C(b)(2)(B) is amended to read as follows:

35 “(B) TESTING MUST BE RELATED TO FIRST USE OR INDICATION FOR RARE DISEASE OR
36 CONDITION.—Human clinical testing may be taken into account under subparagraph
37 (A) only to the extent such testing is related to the first use or indication with respect to
38 which a drug for a rare disease or condition is designated under section 526 of the
39 Federal Food, Drug, and Cosmetic Act.”.

1 (b) Eligible Testing Must Be Conducted Before Approval for Any Use or Indication.—Section
2 45C(b)(2)(A)(ii)(II) is amended to read as follows:

3 “(II) before the first date on which an application (with respect to any use
4 or indication with respect to any disease or condition) with respect to such
5 drug is approved under section 505(c) of such Act or, if the drug is a
6 biological product, before the first date on which a license (with respect to
7 any use or indication with respect to any disease or condition) for such drug
8 is issued under section 351(a) of the Public Health Service Act, and”.

9 (c) Eligibility of Biological Products.—

10 (1) IN GENERAL.—Section 45C(b)(2)(A)(i) is amended by inserting “or, if the drug is a
11 biological product, section 351(a)(3) of the Public Health Service Act” before the comma at
12 the end.

13 (2) CONFORMING AMENDMENT.—Section 45C(b)(2)(A)(ii)(I) is amended by striking
14 “such Act” and inserting “the Federal Food, Drug, and Cosmetic Act”.

15 (d) Effective Date.—The amendments made by this section shall apply to taxable years
16 beginning after December 31, 2021.

17 SEC. 138142. MODIFICATIONS TO TREATMENT OF 18 CERTAIN LOSSES.

19 (a) Losses From Certain Capital Assets Which Become Worthless.—

20 (1) WHEN TREATED AS LOSS.—Section 165(g)(1) is amended by striking “on the last day
21 of the taxable year” and inserting “at the time of the identifiable event establishing
22 worthlessness”.

23 (2) TREATMENT OF PARTNERSHIP INDEBTEDNESS.—Section 165(g)(2)(C) is amended by
24 inserting “, by a partnership,” after “by a corporation”.

25 (3) TREATMENT OF ABANDONMENT.—Section 165(g) is amended by adding at the end the
26 following new paragraph:

27 “(4) TREATMENT OF ABANDONMENT.—For purposes of this subsection and subsection
28 (m), abandonment shall be treated as an identifiable event establishing worthlessness.”.

29 (4) TREATMENT OF PARTNERSHIP INTEREST.—Section 165 is amended by redesignating
30 subsection (m) as subsection (n) and by inserting after subsection (l) the following new
31 subsection:

32 “(m) Worthless Partnership Interest.—If any interest in a partnership becomes worthless
33 during the taxable year, the loss resulting therefrom shall, for purposes of this subtitle, be treated
34 as a loss from the sale or exchange of the interest in the partnership at the time of the identifiable
35 event establishing worthlessness.”.

36 (b) Deferral of Losses in Certain Controlled Group Corporate Liquidations.—Section 267 is
37 amended by adding at the end the following new subsection:

38 “(h) Deferral of Losses in Certain Controlled Group Liquidations.—

39 “(1) IN GENERAL.—In the case of any specified controlled group liquidation, no loss shall

1 be recognized by any member of the controlled group on any stock or security of the
2 liquidating corporation until all **property received by** members of the controlled group
3 ~~which received property~~ in connection with such liquidation ~~have~~ **has been** transferred ~~such~~
4 ~~property~~ to one or more persons who are not related (within the meaning of subsection
5 (b)(3) or section 707(b)(1)) to the member which received such property.

6 “(2) SPECIFIED CONTROLLED GROUP LIQUIDATION.—For purposes **of** this subsection, the
7 term ‘specified controlled group liquidation’ means, with respect to any corporation which
8 is **a** member of a controlled ~~group~~, **group**—

9 “(A) one or more distributions in complete liquidation (within the meaning of
10 section 346) of such corporation ~~or~~,

11 “(B) any other transfer (including any series of transfers) of property of such
12 corporation if any stock or security of such corporation becomes worthless in
13 connection with such transfer, **and**

14 “(C) **any issuance of debt by such corporation to one or more persons who are**
15 **related (within the meaning of subsection (b)(3) or section 707(b)(1)) to such**
16 **corporation if any stock or security of such corporation becomes worthless in**
17 **connection with such issuance.**

18 “(3) REGULATIONS.—The Secretary shall issue such regulations or other guidance as may
19 be necessary or appropriate to carry out the purposes of this subsection, including to apply
20 the principles of this subsection to liquidating corporation stock or securities owned by a
21 corporation indirectly through 1 or more partnerships.”.

22 (c) Cross Reference.—Section 331(c) is amended—

23 (1) by striking “Cross Reference” and all that follows through “For general rule” and
24 inserting the following: “Cross Reference.—

25 “(1) For general rule”, and

26 (2) by adding at the end the following new paragraph:

27 “(2) For losses in controlled group liquidations, see section 267(h).”.

28 (d) Effective Date.—

29 (1) SUBSECTION (A).—The amendments made by this section shall apply to losses arising
30 in taxable years beginning after December 31, 2021.

31 (2) SUBSECTION (B).—The amendment made by subsection (b) shall apply to liquidations
32 on or after the date of the enactment of this Act.

33 SEC. 138143. ADJUSTED BASIS LIMITATION FOR 34 DIVISIVE REORGANIZATION.

35 (a) In General.—Section 361 is amended by adding at the end the following new subsections:

36 “(d) Adjusted Basis Limitation for Divisive Reorganizations.—

37 “(1) IN GENERAL.—Except as provided in paragraph (2), in the case of a reorganization
38 described in section 368(a)(1)(D) with respect to which stock or securities of the controlled

1 corporation (within the meaning of section 355) are distributed by the distributing
2 corporation (within the meaning of such section) in a transaction which qualifies under such
3 **section, subsections** ~~section—~~

4 ~~“(A) subsection (b)(3) and (c)(3) shall not apply to so much of the amount described in~~
5 ~~clause (i)(H) clauses (ii) and (iii) of subparagraph (A) as does not exceed the excess (if~~
6 ~~any) of—~~

7 ~~“(i)“(A) the sum of—~~

8 ~~“(I)“(i) the total amount of the liabilities assumed (within the meaning of~~
9 ~~section 357(c)) by the controlled corporation, and~~

10 ~~“(H)“(ii) the total amount of money and the fair market value of other property~~
11 ~~transferred to the creditors,~~

12 ~~over~~

13 ~~“(ii) the total adjusted bases of the assets transferred by the distributing~~
14 ~~corporation to the controlled corporation, and~~

15 ~~“(B) subsection (c)(3) shall not apply to so much of the amount described in~~
16 ~~clause (i)(H) as does not exceed the excess (if any) of—~~

17 ~~“(i) the sum of—~~

18 ~~“(I) the total amount of the liabilities assumed (within the meaning of section~~
19 ~~357(c)) by the controlled corporation, and~~

20 ~~“(H)“(iii) the fair market value of the stock described in section 354(a)(2)(C)~~
21 ~~and the total principal amount of obligations of the controlled corporation~~
22 ~~described in subsection (c)(2)(B) which are qualified property (as defined in~~
23 ~~subsection (c)(2)(B)) transferred to the creditors, over~~

24 ~~“(ii)“(B) the total adjusted bases of the assets transferred by the distributing~~
25 ~~corporation to the controlled corporation.~~

26 “(2) EXCEPTION REGARDING CERTAIN STOCK OR RIGHTS TO ACQUIRE STOCK.—Paragraph
27 (1) shall not apply to any stock (or right to acquire stock) described in subsection (c)(2)(B).

28 “(3) REGULATIONS.—The Secretary shall issue such regulations or other guidance as may
29 be necessary or appropriate to carry out the purposes of this subsection and to prevent
30 avoidance of tax through abuse or circumvention of subsection (b)(3), subsection (c)(3), or
31 this subsection, including to determine whether a disposition of property or any other
32 transaction is in connection with the reorganization or pursuant to the plan of
33 reorganization.

34 “(e) Cross-references.—For provisions providing for the inclusion of income or recognition of
35 gain in certain distributions, see subsections (d), (e), (f), (g), and (h) of section 355.”.

36 (b) Conforming Amendments.—

37 (1) Section 361(b)(3) is amended—

38 (A) in the first sentence, by inserting “, and except as provided in subsection (d)”
39 after “paragraph (1)”, and

1 (B) by striking the second and third sentences.

2 (2) Section 361(c) is amended—

3 (A) in paragraph (3), by inserting “, and except as provided in subsection (d)” after
4 “this subsection”, and

5 (B) by striking paragraph (5).

6 (c) Effective Date.—The amendments made by this section shall apply to reorganizations
7 occurring on or after the date of the enactment of this Act.

8 (d) Transition Rule.—The amendments made by this section shall not apply to any exchange
9 pursuant to a transaction which is—

10 (1) made pursuant to a written agreement which was binding on the date of the enactment
11 of this Act, and at all times thereafter,

12 (2) described in a ruling request submitted to the Internal Revenue Service on or before
13 such date, or

14 (3) described on or before such date in a public announcement or in a filing with the
15 Securities and Exchange Commission.

16 **SEC. 138144. RENTS FROM PRISON FACILITIES NOT**
17 **TREATED AS QUALIFIED INCOME FOR PURPOSES OF**
18 **REIT INCOME TESTS.**

19 (a) In General.—Section 856(d)(2) is amended by striking “and” at the end of subparagraph
20 (B), by striking the period at the end of subparagraph (C) and inserting “, and”, and by adding at
21 the end the following new subparagraph:

22 “(D) any amount received or accrued, directly or indirectly, with respect to any real
23 or personal property which is primarily used in connection with any correctional,
24 detention, or penal facility.”.

25 (b) Effective Date.—The amendments made by this section shall apply to taxable years
26 beginning after December 31, 2021.

27 **SEC. 138145. MODIFICATIONS TO EXEMPTION FOR**
28 **PORTFOLIO INTEREST.**

29 (a) In General.—Section 871(h)(3)(B)(i) is amended to read as follows:

30 “(i) in the case of an obligation issued by a corporation—

31 “(I) any person who owns 10 percent or more of the total combined voting
32 power of all classes of stock of such corporation entitled to vote, or

33 “(II) any person who owns 10 percent or more of the total value of the
34 stock of such corporation, and”.

35 (b) Effective Date.—The amendment made by this section shall apply to obligations issued
36 after the date of the enactment of this Act.

1 SEC. 138146. CERTAIN PARTNERSHIP INTEREST
2 DERIVATIVES.

3 (a) In General.—Section 871(m) is amended by adding at the end the following new
4 paragraph:

5 “(8) SPECIFIED PARTNERSHIP INTEREST INCOME EQUIVALENT PAYMENTS.—

6 “(A) IN GENERAL.—For purposes of this subsection, any payment made pursuant to
7 a specified notional principal contract that **(directly or indirectly) is contingent upon,**
8 **or** is determined by reference to, any income or gain in respect of an interest in a
9 specified partnership (or any other payment the Secretary determines to be
10 substantially similar) shall be treated as a dividend equivalent. For purposes of the
11 preceding sentence, income or gain includes any income or gain from the deemed
12 disposition of such interest as a result of the termination of, **or payment with respect**
13 **to,** such contract (determined in the same manner as under section 864(c)(8) **but**
14 **without regard to subparagraph (C) thereof) and any income or gain described in**
15 **subsection (a)(1) or section 881(a).**”

16 “(B) SPECIFIED PARTNERSHIP.—For purposes of this paragraph, the term ‘specified
17 partnership’ means—

18 “(i) any publicly traded partnership (as defined in section 7704(b)) which is not
19 treated as a corporation under such section, or

20 “(ii) any other partnership as the Secretary may by regulation prescribe.

21 “(C) EXCEPTIONS.—

22 “(i) CERTAIN PAYMENTS.—Subparagraph (A) shall not apply to any payment
23 the Secretary determines does not have the potential for tax avoidance.

24 “(ii) CERTAIN INCOME.—Under such regulations as the Secretary shall
25 prescribe, there shall not be taken into account under subparagraph (A) any
26 payment to the extent determined by reference to income or gain in respect of an
27 interest in a specified partnership which would be, if earned by a nonresident alien
28 ~~individual~~— **individual or a foreign corporation**—

29 “(I) exempt from tax under this chapter, or

30 “(II) from sources without the United States and not effectively connected
31 with the conduct of a trade or business within the United States.

32 “(D) TREATMENT OF DEFINITIONS AND SPECIAL RULES WITH RESPECT TO
33 PARTNERSHIPS.—For purposes of this paragraph, rules similar to the rules and
34 definitions in paragraphs (3), (4), (5), (6), and (7) shall apply to an interest in a
35 specified partnership in a manner similar to an underlying security, and to income or
36 gain in respect of an interest in a specified partnership in a manner similar to a
37 dividend.

38 “(E) REGULATIONS.—The Secretary shall issue such regulations or other guidance as
39 the Secretary determines is necessary or appropriate to carry out the purposes of this
40 paragraph, including to apply this paragraph to payments determined under

1 sale-repurchase agreements or securities lending transactions with respect to interests
2 in specified partnerships, to determine the amount of a distribution by a specified
3 partnership that is income or gain of the partnership (including the portion thereof that
4 is excepted under subparagraph (C)) in a manner consistent with section 1441(g), and
5 to require the provision of information by specified partnerships necessary to
6 determine such amount.”.

7 (b) Withholding of Tax on Nonresident Aliens.—Section 1441 is amended by redesignating
8 subsection (g) as subsection (h) and by inserting after subsection (f) the following new
9 subsection:

10 “(g) Dividend Equivalents in Case of Certain Specified Partnerships.—The Secretary may
11 prescribe regulations, under rules similar to the rules of section 1446, to determine the amount of
12 a payment in respect of income and gain of a specified partnership (as defined in 871(m)(8))
13 which is a dividend equivalent.”.

14 (c) Effective Date.—The amendments made by this section shall apply to payments made after
15 December 31, 2022.

16 SEC. 138147. ADJUSTMENTS TO EARNINGS AND 17 PROFITS OF CONTROLLED FOREIGN CORPORATIONS.

18 (a) In General.—Section 312(n) is amended by adding at the end the following new paragraph:

19 “(9) SPECIAL RULES FOR CONTROLLED FOREIGN CORPORATIONS.—Earnings and profits of
20 any controlled foreign corporation shall be determined without regard to paragraphs (4), (5),
21 and (6).”.

22 (b) Conforming Amendment.—Section 952(c) is amended by striking paragraph (3).

23 (c) Effective Date.—The amendments made by this section shall apply to taxable years of
24 foreign corporations ending after the date of the enactment of this Act, and to taxable years of
25 United States shareholders in which or with which such taxable years of foreign corporations
26 end.

27 SEC. 138148. CERTAIN DIVIDENDS OF CONTROLLED 28 FOREIGN CORPORATIONS TREATED AS 29 EXTRAORDINARY DIVIDENDS.

30 (a) In General.—Section 1059 is amended by redesignating subsection (g) as subsection (h)
31 and by inserting after subsection (f) the following new subsection:

32 “(g) Treatment of Certain Dividends of Controlled Foreign Corporations.—

33 “(1) IN GENERAL.—Except as otherwise provided by the Secretary, any disqualified CFC
34 dividend shall be treated as an extraordinary dividend to which ~~paragraph~~ **paragraphs** (1)
35 and (2) of subsection (a) ~~applies~~ **apply** without regard to the period the taxpayer held the
36 stock with respect to which such dividend is paid.

37 “(2) DISQUALIFIED CFC DIVIDEND.— For purposes of this subsection—

38 “(A) IN GENERAL.—The term ‘disqualified CFC dividend’ means any dividend paid

1 by a controlled foreign corporation to the extent such dividend is attributable to
2 earnings and profits which—

3 “(i) were earned during any period that such corporation was not a controlled
4 foreign corporation, or

5 “(ii) are attributable to disqualified CFC dividends received by such controlled
6 foreign corporation from another controlled foreign corporation.

7 “(B) APPLICATION TO CORPORATIONS NOT WHOLLY OWNED BY UNITED STATES
8 SHAREHOLDERS.—If not all of the stock of any controlled foreign corporation is owned
9 (within the meaning of section 958(a)) by one or more United States shareholders at
10 the time that any ~~earning~~ **earnings** and profits ~~referred to in subparagraph (A)~~ are
11 earned, the portion of such earnings and profits which is properly attributable to stock
12 not so owned by United States ~~shareholder~~ **shareholders** shall be treated for purposes
13 of subparagraph (A) as earned during a period that such corporation was not a
14 controlled foreign corporation.

15 “(C) TREATMENT OF DOMESTIC PARTNERSHIPS AND CERTAIN TRUSTS.—For
16 purposes of subparagraph (B)—

17 “(i) a domestic partnership shall not be treated as a United States
18 shareholder, and

19 “(ii) to the extent provided by the Secretary in regulations or other
20 guidance, a trust described in section 7701(a)(30)(E) shall not be treated as a
21 United States shareholder.

22 “(D) SPECIAL RULE RELATED TO CONSTRUCTIVE OWNERSHIP.—In the case of the last
23 taxable year of a foreign corporation beginning before January 1, 2018, and each
24 subsequent taxable year of such foreign corporation which begins before the date of
25 the enactment of this subsection, if such foreign corporation would not have been a
26 controlled foreign corporation for any such taxable year if section 958(b)(4) (as
27 applicable to taxable years beginning after the date of the enactment of this subsection)
28 had applied to such taxable year, such corporation shall not be treated as a controlled
29 foreign corporation for such taxable year for purposes of this subsection.”.

30 (b) Regulations.—Section 1059(h), as redesignated by subsection (a), is amended—

31 (1) by striking “regulations” both places it appears and inserting “regulations or other
32 guidance”, and

33 (2) by striking “and” at the end of paragraph (1), by striking the period at the end of
34 paragraph (2) and inserting “, and”, and by adding at the end the following new paragraph:

35 “(3) providing for the coordination of subsection (g) with the other provisions of this
36 chapter, including section 1248.”.

37 (c) Effective Date.—The amendments made by this section shall apply to dividends paid (or
38 amounts treated as dividends) after the date of the enactment of this Act.

39 **SEC. 138149. LIMITATION ON CERTAIN SPECIAL RULES**
40 **FOR SECTION 1202 GAINS.**

1 (a) In General.—Section 1202(a) is amended by adding at the end the following new
2 paragraph:

3 “(5) LIMITATION ON CERTAIN SPECIAL RULES.—In the case of the sale or exchange of
4 qualified small business stock after September 13, 2021, paragraphs (3) and (4) shall not
5 apply to any taxpayer if—

6 “(A) the adjusted gross income of such taxpayer (determined without regard to this
7 section and sections 911, 931, and 933) equals or exceeds \$400,000, or

8 “(B) such taxpayer is a trust or estate.”.

9 (b) Effective Date.—Except as provided in subsection (c), the amendment made by this
10 section shall apply to sales and exchanges after September 13, 2021.

11 (c) Binding Contract Exception.—The amendment made by this section shall not apply to any
12 sale or exchange which is made pursuant to a written binding contract which was in effect on
13 September 13, 2021, and is not modified in any material respect thereafter.

14 SEC. 138150. CONSTRUCTIVE SALES.

15 (a) Application to Appreciated Digital Assets.—

16 (1) IN GENERAL.—Section 1259(b)(1) is amended by inserting “digital asset,” after “debt
17 instrument,”.

18 (2) EXCEPTION FOR SALES OF NONPUBLICLY TRADED PROPERTY.—Section 1259(c)(2) is
19 amended by adding at the end the following: “A similar rule shall apply in the case of a
20 contract for sale of any digital asset.”.

21 (3) DIGITAL ASSET.—Section 1259(d) is amended by adding at the end the following new
22 paragraph:

23 “(3) DIGITAL ASSET.—Except as otherwise provided by the Secretary, the term ‘digital
24 asset’ means any digital representation of value which is recorded on a cryptographically
25 secured distributed ledger or any similar technology as specified by the Secretary.”.

26 (b) Treatment of Certain Contracts.—Section 1259(c)(1)(D) is amended by inserting “or enters
27 into a contract to acquire” after “acquires”.

28 (c) Effective Date.—

29 (1) IN GENERAL.—The amendments made by subsection (a) shall apply to constructive
30 sales (determined after the application of the amendment made by subsection (b)) after the
31 date of the enactment of this Act.

32 (2) TREATMENT OF CERTAIN CONTRACTS.—The amendment made by subsection (b) shall
33 apply to contracts entered into after the date of the enactment of this Act.

34 SEC. 138151. RULES RELATING TO COMMON CONTROL.

35 (a) ~~Clarification of Trade or Business.~~—~~Section 52(b) is amended by adding at the end the~~
36 ~~following new sentence: “For In General.—Section 52 is amended by striking subsections (a)~~
37 ~~and (b) and inserting the following new subsections:~~

38 “(a) Treatment of Controlled Groups of Corporations.—

1 **“(1) IN GENERAL.—For purposes of this subpart, all employees of all corporations**
2 **which are component members of the same controlled group of corporations shall be**
3 **treated as employed by a single employer. In any such case, the credit (if any)**
4 **determined under section 51(a) with respect to each such member shall be its**
5 **proportionate share of the wages giving rise to such credit.**

6 **“(2) CONTROLLED GROUP OF CORPORATIONS.—For purposes of this subsection, the**
7 **term ‘controlled group of corporations’ has the meaning given to such term by section**
8 **1563(a), except that—**

9 **“(A) ‘more than 50 percent’ shall be substituted for ‘at least 80 percent’ each**
10 **place it appears in section 1563(a)(1), and**

11 **“(B) the determination shall be made without regard to subsections (a)(4) and**
12 **(e)(3)(C) of section 1563.**

13 **“(3) COMPONENT MEMBER.—For purposes of this subsection, the term ‘component**
14 **member’ has the meaning given such term by section 1563(b), except that the**
15 **determination shall be made without regard to whether such member is an excluded**
16 **member (within the meaning of section 1563(b)(2)).**

17 **“(b) Employees of Partnerships, Proprietorships, etc., Which Are Under Common**
18 **Control.—For purposes of this subpart, under regulations prescribed by the Secretary—**

19 **“(1) all employees of trades or business (whether or not incorporated) which are**
20 **under common control shall be treated as employed by a single employer, and**

21 **“(2) the credit (if any) determined under section 51(a) with respect to each trade or**
22 **business shall be its proportionate share of the wages giving rise to such credit.**

23 **The regulations prescribed under this subsection shall be based on principles similar to the**
24 **principles which apply in the case of subsection (a). For purposes of this subsection, the**
25 **term ‘trade or business’ includes any activity treated as a trade or business under paragraph (5)**
26 **or (6) of section 469(c) (determined without regard to the phrase ‘To the extent provided in**
27 **regulations’ in such paragraph (6)).”.**

28 **(b) Conforming Amendment.—Section 1563(b)(2)(C) is amended to read as follows:**

29 **“(C) is a foreign corporation not engaged in a trade or business within the**
30 **United States.”.**

31 **(c)(b) Effective Date.—The amendment made by this section shall apply to taxable years**
32 **beginning after December 31, 2021.**

33 **SEC. 138152. MODIFICATION OF WASH SALE RULES.**

34 **(a) In General.—Section 1091 is amended to read as follows:**

35 **“SEC. 1091. LOSS FROM WASH SALES OF SPECIFIED** 36 **ASSETS.**

37 **“(a) Disallowance of Loss Deduction.—In the case of any loss claimed to have been sustained**
38 **from any sale, or disposition, ~~or termination~~ (including any termination) of specified assets**

1 where it appears that, within a period beginning 30 days before the date of such sale or
2 disposition and ending 30 days after such date, the taxpayer (or related party) has acquired (by
3 purchase or by an exchange on which the entire amount of gain or loss was recognized by law),
4 or has entered into, or has entered into a contract or option so to acquire or a long **notional**
5 principal contract in respect of, substantially identical specified assets, then no deduction shall be
6 allowed under section 165 unless the taxpayer is a dealer in specified assets and the loss is
7 sustained in a transaction made in the ordinary course of such business.

8 “(b) Amount of Specified Assets Different From Amount of Specified Assets Sold.—If the
9 amount of specified assets acquired (or covered by the contract or option to acquire or long
10 notional principal contract in respect of) is different from the amount of specified assets sold or
11 otherwise disposed of, then the particular specified assets the acquisition of which (or the
12 contract or option to acquire or long notional principal contract which) resulted in the
13 nondeductibility of the loss shall be determined under regulations prescribed by the Secretary.

14 “(c) Adjustment to Basis in Case of Wash Sale.—If the taxpayer (or the taxpayer’s spouse)
15 acquires or enters into substantially identical specified assets during the period which—

16 “(1) begins 30 days before the disposition with respect to which a deduction was
17 disallowed under subsection (a), and

18 “(2) ends with the close of the taxpayer’s first taxable year which begins after such
19 disposition,

20 the basis of such specified assets shall be increased by the amount of the deduction so disallowed
21 (reduced by any amount of such deduction taken into account under this subsection to increase
22 the basis of specified assets previously acquired).

23 “(d) Certain Short Sales of Specified Assets and Contracts to Sell.—Rules similar to the rules
24 of subsection (a) shall apply to any loss realized on the closing of a short sale of (or the sale,
25 exchange, or termination of a contract **or option** to sell or a short notional principal contract in
26 respect of) specified assets if, within a period beginning 30 days before the date of such closing
27 and ending 30 days after such date—

28 “(1) substantially identical specified assets were sold or terminated by the taxpayer (or a
29 related party), or

30 “(2) another short sale of (or contract **or option** to sell or short notional principal contract
31 in respect of) substantially identical specified assets was entered into by the taxpayer (or
32 related party).

33 “(e) Cash Settlement.—This section shall not fail to apply to a contract or option to acquire or
34 sell specified assets solely by reason of the fact that the contract or option settles in (or could be
35 settled in) cash or property other than such specified assets.

36 “(f) Related Party.—For purposes of this section—

37 “(1) IN GENERAL.—The term ‘related party’ means—

38 “(A) the taxpayer’s spouse,

39 “(B) any dependent of the taxpayer and any other taxpayer with respect to whom the
40 taxpayer is a dependent,

1 “(C) any individual, corporation, partnership, trust, or estate which controls, or is
2 controlled by, (within the meaning of section 954(d)(3)) the taxpayer or any individual
3 described in subparagraph (A) or (B) with respect to the taxpayer (or any combination
4 thereof),

5 **“(D) to the extent provided by the Secretary in regulations or other guidance,
6 any individual who bears a relationship to the taxpayer described in section
7 267(b) if such taxpayer is an individual,**

8 “(E) any individual retirement plan, Archer MSA (as defined in section 220(d)), or
9 health savings account (as defined in section 223(d)), of the taxpayer or of any
10 individual described in subparagraph (A) or (B) with respect to the taxpayer,

11 ~~“(E)“(F)~~“(F) any account under a qualified tuition program described in section 529 or a
12 Coverdell education savings account (as defined in section 530(b)) if the taxpayer, or
13 any individual described in subparagraph (A) or (B) with respect to the taxpayer, is the
14 designated beneficiary of such account or has the right to make any decision with
15 respect to the investment of any amount in such account, and

16 ~~“(F)“(G)~~“(G) any account under—

17 “(i) a plan described in section 401(a),

18 “(ii) an annuity plan described in section 403(a),

19 “(iii) an annuity contract described in section 403(b), or

20 “(iv) an eligible deferred compensation plan described in section 457(b) and
21 maintained by an employer described in section 457(e)(1)(A),

22 if the taxpayer or any individual described in subparagraph (A) or (B) with respect to
23 the taxpayer has the right to make any decision with respect to the investment of any
24 amount in such account.

25 “(2) RULES FOR DETERMINING STATUS.—

26 “(A) RELATIONSHIPS DETERMINED AT TIME OF ACQUISITION.—Determinations under
27 paragraph (1) shall be made as of the time of the purchase or exchange (or entering
28 into a contract, option, or notional principal contract) referred to in subsection (a)
29 except that determinations under subparagraphs (A) and (B) of paragraph (1) shall be
30 made for the taxable year which includes such purchase or exchange (or entering into).

31 “(B) DETERMINATION OF MARITAL STATUS.—

32 “(i) IN GENERAL.—Except as provided in clause (ii), marital status shall be
33 determined under section 7703.

34 “(ii) SPECIAL RULE FOR MARRIED INDIVIDUALS FILING SEPARATELY AND LIVING
35 APART.—A husband and wife who—

36 “(I) file separate returns for any taxable year, and

37 “(II) live apart at all times during such taxable year,

38 shall not be treated as married individuals.

39 “(3) REGULATIONS.—The Secretary shall issue such regulations or other guidance as may

1 be necessary to prevent the avoidance of the purposes of this subsection, including
2 regulations which treat persons as related parties if such persons are formed or availed of to
3 avoid the purposes of this subsection.

4 “(g) Specified Asset.—For purposes of this section, the term ‘specified asset’ means any of the
5 following:

6 “(1) Any security described in subparagraph (A), (B), (C), (D), or (E) of section
7 475(c)(2).

8 “(2) Any foreign currency.

9 “(3) Any commodity described in subparagraph (A), (B), or (C) of section 475(e)(2).

10 “(4) Except as otherwise provided by the Secretary, any digital representation of value
11 which is recorded on a cryptographically secured distributed ledger or any similar
12 technology as specified by the Secretary.

13 Such term shall, except as provided in regulations, include contracts or options to acquire or sell,
14 **or notional principal contracts in respect of**, any specified assets.

15 “(h) Exception for Business Needs and Hedging Transactions.—Except as provided in
16 regulations prescribed by the Secretary, subsection (a) shall not apply in the case of any sale or
17 other disposition—

18 “(1) of a foreign currency or commodity described in subsection (h), and

19 “(2) which—

20 “(A) is directly related to the business needs of a trade or business of the taxpayer
21 (other than the trade or business of trading foreign currencies or commodities
22 described in subsection (h)), or

23 “(B) is part of a hedging transaction (as defined in section 1221(b)(2)).”.

24 (b) ~~Clerical Amendment.~~—**The Conforming Amendments.**—

25 **(1) Section 6045(g)(2)(B) is amended—**

26 **(A) in clause (i)(I)—**

27 **(i) by striking “security (other than stock” and inserting “covered security**
28 **(other than stock”, and**

29 **(ii) by striking “stock sold or transferred” and inserting “covered security**
30 **sold or transferred”, and**

31 **(B) in clause (ii)—**

32 **(i) by striking “stock or securities” and inserting “specified assets”, and**

33 **(ii) by striking “identical securities” and inserting “identical specified**
34 **assets (as defined in section 1091(g))”.**

35 **(2) The table of sections for part VII of subchapter O of chapter 1 is amended by striking**
36 **the item relation to section 1091 and inserting the following new item:**

37 “Sec.1091.Loss from wash sales of specified assets.”.

1 (c) Effective Date.—The amendments made by this section shall apply to sales, dispositions,
2 and terminations after December 31, 2021.

3 (d) No Inference.—Nothing in this section or the amendments made by this section shall be
4 construed to create any inference with respect to the proper treatment of related parties under
5 section 1091 of the Internal Revenue Code of 1986 with respect to sales, dispositions, and
6 terminations before January 1, 2022.

7 SEC. 138153. RESEARCH AND EXPERIMENTAL 8 EXPENDITURES.

9 (a) In General.—Section 13206 of Public Law 115–97 is amended—

10 (1) in subsection (b)(3), by striking “2021” and inserting “2025”, and

11 (2) in subsection (e), by striking “2021” and inserting “2025”.

12 (b) Effective Date.—The amendment made by this section shall take effect on the date of the
13 enactment of this Act.

14 PART 2—TAX INCREASES FOR HIGH-INCOME 15 INDIVIDUALS

16 SEC. 138201. APPLICATION OF NET INVESTMENT 17 INCOME TAX TO TRADE OR BUSINESS INCOME OF 18 CERTAIN HIGH INCOME INDIVIDUALS.

19 (a) In General.—Section 1411 is amended by adding at the end the following new subsection:

20 “(f) Application to Certain High Income Individuals.—

21 “(1) IN GENERAL.—In the case of any individual whose modified adjusted gross income
22 for the taxable year exceeds the high income threshold amount, subsection (a)(1) shall be
23 applied by substituting ‘the greater of specified net income or net investment income’ for
24 ‘net investment income’ in subparagraph (A) thereof.

25 “(2) PHASE-IN OF INCREASE.—The increase in the tax imposed under subsection (a)(1) by
26 reason of the application of paragraph (1) of this subsection shall not exceed the amount
27 which bears the same ratio to the amount of such increase (determined without regard to
28 this paragraph) as—

29 “(A) the excess described in paragraph (1), bears to

30 “(B) \$100,000 (\1/2\ such amount in the case of a married taxpayer (as defined in
31 section 7703) filing a separate return).

32 “(3) HIGH INCOME THRESHOLD AMOUNT.—For purposes of this subsection, the term ‘high
33 income threshold amount’ means—

34 “(A) except as provided in subparagraph (B) or (C), \$400,000,

35 “(B) in the case of a taxpayer making a joint return under section 6013 or a
36 surviving spouse (as defined in section 2(a)), \$500,000, and

1 “(C) in the case of a married taxpayer (as defined in section 7703) filing a separate
2 return, $\frac{1}{2}$ of the dollar amount determined under subparagraph (B).

3 “(4) SPECIFIED NET INCOME.—For purposes of this section, the term ‘specified net
4 income’ means net investment income determined—

5 “(A) without regard to the phrase ‘other than such income which is derived in the
6 ordinary course of a trade or business not described in paragraph (2),’ in subsection
7 (c)(1)(A)(i),

8 “(B) without regard to the phrase ‘described in paragraph (2)’ in subsection
9 (c)(1)(A)(ii),

10 “(C) without regard to the phrase ‘other than property held in a trade or business not
11 described in paragraph (2)’ in subsection (c)(1)(A)(iii),

12 “(D) without regard to paragraphs (2), (3), and (4) of subsection (c), and

13 “(E) by treating paragraphs (5) and (6) of section 469(c) (**determined without
14 regard to the phrase ‘To the extent provided in regulations,’ in such paragraph
15 (6)**) as applying for purposes of subsection (c) of this section.”.

16 (b) Application to Trusts and Estates.—Section 1411(a)(2)(A) is amended by striking
17 “undistributed net investment income” and inserting “the greater of undistributed specified net
18 income or undistributed net investment income”.

19 (c) Clarifications With Respect to Determination of Net Investment Income.—

20 (1) ~~WAGES SUBJECT TO FICA OR RRTA NOT TAKEN INTO ACCOUNT.—SECTION CERTAIN~~
21 **EXCEPTIONS.—Section 1411(c)(6) is amended by inserting “or wages received with respect**
22 **to employment to read as follows:**

23 **“(6) SPECIAL RULES.—Net investment income shall not include—**

24 **“(A) any item taken into account in determining self-employment income for**
25 **such taxable year on which a tax is imposed by section 1401(b),**

26 **“(B) wages received with respect to employment on which a tax is imposed**
27 **under section 3101(b) or 3201(a) before the period at the end. 3201(a) (including**
28 **amounts taken into account under section 3121(v)(2)), and**

29 **“(C) wages received from the performance of services earned outside the**
30 **United States for a foreign employer.”.**

31 (2) NET OPERATING LOSSES NOT TAKEN INTO ACCOUNT.—Section 1411(c)(1)(B) is
32 amended by inserting “(other than section 172)” after “this subtitle”.

33 (3) INCLUSION OF CERTAIN FOREIGN INCOME.—

34 (A) IN GENERAL.—Section 1411(c)(1)(A) is amended by striking “and” at the end of
35 clause (ii), by striking “over” at the end of clause (iii) and inserting “and”, and by
36 adding at the end the following new clause:

37 “(iv) any amount includible in gross income under section 951, 951A, 1293, or
38 1296, over”.

39 (B) PROPER TREATMENT OF CERTAIN PREVIOUSLY TAXED INCOME.—Section 1411(c)

1 is amended by adding at the end the following new paragraph:

2 “(7) CERTAIN PREVIOUSLY TAXED INCOME.—The Secretary shall issue regulations or
3 other guidance providing for the treatment of—

4 “(A) distributions of amounts previously included in gross income for purposes of
5 chapter 1 but not previously subject to tax under this ~~section~~.” **section, and**

6 “(B) distributions described in section 962(d).”.

7 (d) Effective Date.—The amendments made by this section shall apply to taxable years
8 beginning after December 31, 2021.

9 (e) Transition Rule.—The regulations or other guidance issued by the Secretary under section
10 1411(c)(7) of the Internal Revenue Code of 1986 (as added by this section) shall include
11 provisions which provide for the proper coordination and application of clauses (i) and (iv) of
12 section 1411(c)(1)(A) with respect to—

13 (1) taxable years beginning on or before December 31, 2021, and

14 (2) taxable years beginning after such date.

15 SEC. 138202. LIMITATIONS ON EXCESS BUSINESS 16 LOSSES OF NONCORPORATE TAXPAYERS.

17 (a) Limitation Made Permanent.—

18 (1) IN GENERAL.—Section 461(l)(1) is amended to read as follows:

19 “(1) LIMITATION.—In the case of any taxpayer other than a corporation, any excess
20 business loss of the taxpayer for the taxable year shall not be allowed.”.

21 (2) CONFORMING AMENDMENT.—Section 461 is amended by striking subsection (j).

22 (b) Modification of Carryover of Disallowed Losses.—Section 461(l)(2) is amended to read as
23 follows:

24 “(2) DISALLOWED LOSS CARRYOVER.—Any loss which is disallowed under paragraph (1)
25 for any taxable year shall be treated (solely for purposes of this chapter) as a deduction
26 described in paragraph (3)(A)(i) for the next taxable year.”.

27 (c) **Treatment of Unused Excess Business Loss Carryovers on Termination of Estate or**
28 **Trust.**—Section 461(l) is amended by adding at the end the following new paragraph:

29 “(7) SPECIAL RULE FOR TERMINATION OF ESTATE OR TRUST.—**If, on the termination**
30 **of an estate or trust, the estate or trust has an excess business loss carryover, then such**
31 **carryover or such excess shall be allowed as a deduction, in accordance with**
32 **regulations prescribed by the Secretary, to the beneficiaries succeeding to the property**
33 **of the estate or trust.”.**

34 (d) Effective Date.—The amendments made by this section shall apply to taxable years
35 beginning after December 31, 2020.

36 SEC. 138203. SURCHARGE ON HIGH INCOME 37 INDIVIDUALS, ESTATES, AND TRUSTS.

1 (a) In General.—Part I of subchapter A of chapter 1 is amended by inserting after section 1 the
2 following new section:

3 **“SEC. 1A. SURCHARGE ON HIGH INCOME**
4 **INDIVIDUALS, ESTATES, AND TRUSTS.**

5 **“(a) General Rule.—**In the case of a taxpayer other than a corporation, there is hereby imposed
6 (in addition to any other tax imposed by this subtitle) a tax equal to the sum of—

7 **“(1) 5 percent of so much of the modified adjusted gross income of the taxpayer as**
8 **exceeds—**

9 **“(A) \$10,000,000, in the case of any taxpayer not described in subparagraph (B) or**
10 **(C),**

11 **“(B) \$5,000,000, in the case of a married individual filing a separate return, and**

12 **“(C) \$200,000, in the case of an estate or trust, plus**

13 **“(2) 3 percent of so much of the modified adjusted gross income of the taxpayer as**
14 **exceeds—**

15 **“(A) \$25,000,000, in the case of any taxpayer not described in subparagraph (B) or**
16 **(C),**

17 **“(B) \$12,500,000, in the case of a married individual filing a separate return, and**

18 **“(C) \$500,000, in the case of an estate or trust.**

19 **“(b) Modified Adjusted Gross Income.—**For purposes of this section, the term ‘modified
20 adjusted gross income’ means adjusted gross income reduced by any deduction (not taken into
21 account in determining adjusted gross income) allowed for investment interest (as defined in
22 section 163(d)) **or business interest (as defined in section 163(j))**. In the case of an estate or
23 trust, adjusted gross income shall be determined as provided in section 67(e), **and reduced by**
24 **the amount allowed as a deduction under section 642(c).**

25 **“(c) Special Rules.—**

26 **“(1) NONRESIDENT ALIEN.—**In the case of a nonresident alien individual (**other than an**
27 **individual described in section 876(a) or 877(a)**), only amounts taken into account in
28 connection with the tax imposed under section 871(b) shall be taken into account under this
29 section.

30 **“(2) CITIZENS AND RESIDENTS LIVING ABROAD.—THE ABROAD.—Each** dollar amount
31 **which is** applicable to any taxpayer under ~~paragraph (1), (2), or (3)~~ of subsection (a) ~~(as the~~
32 ~~case may be)~~ shall be decreased (but not below zero) by the excess (if any) of—

33 **“(A) the amounts excluded from the taxpayer’s gross income under section 911,**
34 **over**

35 **“(B) the amounts of any deductions or exclusions disallowed under section**
36 **911(d)(6) with respect to the amounts described in subparagraph (A).**

37 **“(3) CHARITABLE TRUSTS.—**Subsection (a) shall not apply to a trust all the unexpired
38 interests in which are devoted to one or more of the purposes described in section

1 170(c)(2)(B).

2 “(4) NOT TREATED AS TAX IMPOSED BY THIS CHAPTER FOR CERTAIN PURPOSES.—The tax
3 imposed under this section shall not be treated as tax imposed by this chapter for purposes
4 of determining the amount of any credit under this chapter (**other than sections 27 and**
5 **901**) or for purposes of section 55.”

6 (b) 55.

7 “(5) ELECTING SMALL BUSINESS TRUSTS.—For purposes of the determination of
8 adjusted gross income, section 641(c)(1)(A) shall not apply and all portions of any
9 electing small business trust shall be treated as a single trust.

10 “(d) Regulations.—The Secretary shall issue such regulations or other guidance as may
11 be necessary or appropriate to carry out the purposes of this section, including regulations
12 or other guidance to prevent the avoidance of the purposes of this section.”

13 (b) Coordination With Certain Provisions.—

14 (1) INTEREST ON CERTAIN DEFERRED TAX LIABILITY.—Section 453A(c) is amended by
15 redesignating paragraph (6) as paragraph (7) and by inserting after paragraph (5) the
16 following new paragraph:

17 “(6) SURCHARGE ON HIGH INCOME INDIVIDUALS TAKEN INTO ACCOUNT IN
18 DETERMINING MAXIMUM RATE OF TAX.—For purposes of paragraph (3)(B), the
19 maximum rate of tax in effect under section 1 shall be treated as being equal to the
20 sum of such rate and the rates in effect under paragraphs (1) and (2) of section
21 1A(a).”

22 (2) ALIEN RESIDENTS OF PUERTO RICO, GUAM, AMERICAN SAMOA, OR THE NORTHERN
23 MARIANA ISLANDS.—Section 876(a) is amended by striking section 1 and inserting
24 “sections 1 and 1A”.

25 (3) EXPATRIATION TO AVOID TAX.—Section 877(b) is amended by inserting “and
26 section 1A” after “section 1 or 55”.

27 (4) LIMITATION ON FOREIGN TAX CREDIT.—

28 (A) Section 904(b)(3)(E)(i)(I) is amended by inserting “increased by the sum of
29 the rates set forth in paragraphs (1) and (2) of section 1A(a)” after “(whichever
30 applies)”.

31 (B) Section 904(d)(2)(F) is amended by adding at the end the following: “For
32 purposes of the first sentence of this subparagraph, the highest rate of tax
33 specified in section 1 shall be treated as being equal to the sum of such rate and
34 the rates in effect under paragraphs (1) and (2) of section 1A(a).”

35 (5) ELECTION BY INDIVIDUALS TO BE SUBJECT TO TAX AT CORPORATE RATES.—Section
36 962(a)(1) is amended by inserting “, 1A,” after “sections 1”.

37 (6) INTEREST ON CERTAIN TAX DEFERRAL.—Section 1291(c)(2) is amended by adding
38 at the end the following: “For purposes of the preceding sentence, the highest rate of
39 tax in effect under section 1 shall be treated as being equal to the sum of such rate and
40 the rates in effect under paragraphs (1) and (2) of section 1A(a).”

1 (7) **AVERAGING OF FARM INCOME.**—Section 1301(a) is amended by striking “section
2 1” both places it appears and inserting “sections 1 and 1A”.

3 (8) **TITLE 11 CASES.**—Section 1398(c)(2) is amended by inserting “and tax shall be
4 imposed under section 1A by treating the estate as a married individual filing a
5 separate return” before the period at the end.

6 (9) **WITHHOLDING OF TAX ON FOREIGN PARTNERS’ SHARE OF EFFECTIVELY
7 CONNECTED INCOME.**—Section 1446(b)(2) is amended by adding at the end the
8 following flush sentence:

9 “For purposes of subparagraph (A), the highest rate of tax in effect under section 1
10 shall be treated as being equal to the sum of such rate and the rates in effect under
11 paragraphs (1) and (2) of section 1A(a).”.

12 (10) **RELIEF FROM JOINT AND SEVERAL LIABILITY ON JOINT RETURN.**—Section
13 6015(d)(2)(B) is amended by inserting “, 1A,” after “section 1”.

14 (11) **PARTNERSHIP ADJUSTMENTS.**—

15 (A) Section 6225(b)(1) is amended by adding at the end the following flush
16 sentence:

17 “For purposes of subparagraph (B), the highest rate of tax in effect under section 1
18 shall be treated as being equal to the sum of such rate and the rates in effect under
19 paragraphs (1) and (2) of section 1A(a).”.

20 (B) Section 6225(c)(4)(A) is amended—

21 (i) by striking “subsection (b)(1)(A)” and inserting “subsection (b)(1)(B)”,
22 and

23 (ii) by striking “or” at the end of clause (i), by adding “or” at the end of
24 clause (ii), and by inserting after clause (ii) the following new clause:

25 “(iii) is not an individual subject to one or both of the rates of tax in effect
26 under paragraphs (1) and (2) of section 1A(a).”.

27 (12) **REQUIRED PAYMENTS FOR ENTITIES ELECTING NOT TO HAVE REQUIRED TAXABLE
28 YEAR.**—Section 7519(b) is amended by inserting “and increased by the sum of the
29 rates in effect under paragraphs (1) and (2) of section 1A(a)” before the period at the
30 end.

31 (c) **Clerical Amendment.**—The table of sections for part I of subchapter A of chapter 1 is
32 amended by inserting after the item relating to section 1 the following new item:

33 “Sec.1A.Surcharge on high income individuals.”.

34 ~~(e)~~(d) **Effective Date.**—The amendments made by this section shall apply to taxable years
35 beginning after December 31, 2021.

36 **PART 3—MODIFICATIONS OF RULES RELATING TO** 37 **RETIREMENT PLANS**

38 **Subpart A—Limitations on High-income Taxpayers With**

1 Large Retirement Account Balances

2 SEC. 138301. CONTRIBUTION LIMIT FOR INDIVIDUAL 3 RETIREMENT PLANS OF HIGH-INCOME TAXPAYERS 4 WITH LARGE ACCOUNT BALANCES.

5 (a) Contribution Limit.—

6 (1) IN GENERAL.—Subpart A of part I of subchapter D of chapter 1 is amended by
7 adding at the end the following:

8 “SEC. 409B. CONTRIBUTION LIMIT ON INDIVIDUAL 9 RETIREMENT PLANS OF HIGH-INCOME TAXPAYERS 10 WITH LARGE ACCOUNT BALANCES.

11 “(a) General Rule.—Notwithstanding any other provision of this title, in the case of an
12 individual who is an applicable taxpayer for any taxable year, no annual additions for such
13 taxable year shall be made by, or on behalf of, such individual to any individual retirement
14 plan to the extent such annual additions exceed the excess (if any) of—

15 “(1) the applicable dollar amount for such taxable year, over

16 “(2) the aggregate vested balances to the credit of the individual (whether as a
17 participant, owner, or beneficiary) in all applicable retirement plans (determined as of
18 the close of the calendar year preceding the calendar year in which such taxable year
19 begins).

20 “(b) Definitions and Special Rules.—For purposes of this section—

21 “(1) ANNUAL ADDITION.—

22 “(A) IN GENERAL.—Except as provided in this paragraph, the term ‘annual
23 addition’ means any contribution to an individual retirement plan.

24 “(B) CONTRIBUTIONS TO SEP AND SIMPLE PLANS.—In the case of any employer
25 or employee contributions by, or on behalf of, an individual to a simplified
26 employee pension under section 408(k) or a simple retirement account under
27 section 408(p)—

28 “(i) such contributions shall not be treated as annual additions for
29 purposes of applying the limitation under subsection (a), but

30 “(ii) the excess described in subsection (a) shall be reduced by the amount
31 of such contributions in applying such limitation to other annual additions
32 with respect to such individual.

33 “(C) ROLLOVER CONTRIBUTIONS DISREGARDED.—A rollover contribution under
34 section 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16) shall not be treated as
35 an annual addition.

36 “(D) ACCOUNTS ACQUIRED BY DEATH OR DIVORCE OR SEPARATION.—The

1 acquisition of an individual retirement plan (or the transfer to or contribution of
2 amounts to an individual retirement plan) by reason of—

3 “(i) the death of another individual, or

4 “(ii) divorce or separation (pursuant to section 408(d)(6)),

5 shall not be treated as an annual addition.

6 “(2) APPLICABLE DOLLAR AMOUNT.—The term ‘applicable dollar amount’ means
7 \$10,000,000.

8 “(3) APPLICABLE RETIREMENT PLAN.—The term ‘applicable retirement plan’
9 means—

10 “(A) a defined contribution plan to which section 401(a) or 403(a) applies,

11 “(B) an annuity contract under section 403(b),

12 “(C) an eligible deferred compensation plan described in section 457(b) which
13 is maintained by an eligible employer described in section 457(e)(1)(A), or

14 “(D) an individual retirement plan.

15 “(4) APPLICABLE TAXPAYER.—

16 “(A) IN GENERAL.—The term ‘applicable taxpayer’ means, with respect to any
17 taxable year, a taxpayer whose modified adjusted gross income for such taxable
18 year exceeds the amount determined under subparagraph (B).

19 “(B) DOLLAR LIMIT.—The amount determined under this subparagraph for
20 any taxable year is—

21 “(i) \$400,000 for an individual who is a taxpayer not described in clause
22 (ii) or (iii),

23 “(ii) \$425,000 in the case of an individual who is a head of household (as
24 defined in section 2(b)), and

25 “(iii) \$450,000 in the case of an individual who is a married individual
26 filing a joint return or a surviving spouse (as defined in section 2(a)).

27 “(C) MODIFIED ADJUSTED GROSS INCOME.—For purposes of this paragraph, the
28 term ‘modified adjusted gross income’ means adjusted gross income determined
29 without regard to sections 911, 931, and 933, without regard to any deduction for
30 annual additions to individual retirement plans to which subsection (a) applies,
31 and without regard to any increase in minimum required distributions by reason
32 of section 4974(e).

33 “(5) ADJUSTMENTS FOR INFLATION.—

34 “(A) IN GENERAL.—In the case of any taxable year beginning after 2029, the
35 dollar amounts in paragraphs (2) and (4)(B) shall be increased by an amount
36 equal to the product of—

37 “(i) such dollar amount, and

38 ** 5 “(B)“(ii) the cost-of-living adjustment determined under section 1(f)(3) for

1 the calendar year in which ~~the~~ **such** taxable year begins, determined by
2 substituting ‘calendar year ~~2021~~ **2028**’ for ‘calendar year 2016’ in subparagraph
3 (A)(ii) thereof.

4 ~~PART 3—FUNDING~~**(B) ROUNDING.—If any amount as adjusted under**
5 **subparagraph (A) is not—**

6 **“(i) in the case of the dollar amount under paragraph (2), a multiple of**
7 **\$250,000, such amount shall be rounded to the next lowest multiple of**
8 **\$250,000.**

9 **“(ii) in the case of a dollar amount under paragraph (4)(B), a multiple of**
10 **\$1,000, such amount shall be rounded to the next lowest multiple of \$1,000.**

11 **“(c) Regulations.—The Secretary shall prescribe such regulations and guidance as are**
12 **necessary or appropriate to carry out the purposes of this section, including regulations or**
13 **guidance that provide for the application of this section and section 4974(e) in the case of**
14 **plans with a valuation date other than the last day of a calendar year.”.**

15 **(2) CONFORMING AMENDMENTS.—**

16 **(A) The table of contents for subpart A of part I of subchapter D of chapter 1 is**
17 **amended by adding after the item relating to section 409A the following new item:**
18 **“Sec.409B.Contribution limit on individual retirement plans of high-income taxpayers with**
19 **large account balances.”.**

20 **(B) Section 408(r) is amended by adding at the end the following new**
21 **paragraph:**

22 **“(3) For additional limitations on contributions to individual retirement plans with**
23 **large account balances, see sections 408A(e)(3) and 409B.”.**

24 **(b) Excise Tax on Excess Annual Additions.—**

25 **(1) IN GENERAL.—Section 4973 is amended by adding at the end the following new**
26 **subsection:**

27 **“(i) Special Rule for Individual Retirement Plans With Excess Annual Additions.—For**
28 **purposes of this section, in the case of individual retirement plans, the term ‘excess**
29 **contributions’, with respect to any taxable year, is increased by the sum of—**

30 **“(1) the excess of the annual additions (within the meaning of section 409B(b)(1)) to**
31 **such plans over the limitation under section 409B(a) for such taxable year, reduced by**
32 **the amount of any excess contributions determined under subsections (b) and (f), and**

33 **“(2) the lesser of—**

34 **“(A) the amount determined under this subsection for the preceding taxable**
35 **year with respect to such plans, reduced by the aggregate distributions from such**
36 **plans for the taxable year (including distributions required under section 4974(e))**
37 **to the extent not contributed in a rollover contribution to another eligible**
38 **retirement plan in accordance with section 402(c), 403(a)(4), 403(b)(8), 408(d)(3),**
39 **and 457(e)(16), or**

40 **“(B) the amount (if any) by which the amount determined under section**

1 **409B(a)(2) for the taxable year exceeds the applicable dollar amount under**
2 **section 409B(b)(2) for the taxable year.”.**

3 **(2) CONFORMING AMENDMENTS.—Subsections (b) and (f) of section 4973 are each**
4 **amended by inserting “, except as further provided in subsection (i)” after “For**
5 **purposes of this section”.**

6 **(c) Reporting Requirements.—Section 6057(a) is amended by adding at the end the**
7 **following:**

8 **“(3) ADDITIONAL INFORMATION REGARDING HIGH ACCOUNT BALANCES.—**

9 **“(A) IN GENERAL.—If, as of the close of any plan year, 1 or more participants or**
10 **beneficiaries in an applicable retirement plan (as defined in section 409B(b)(3)**
11 **without regard to subparagraph (D) thereof) have a vested account balance of at**
12 **least \$2,500,000, the plan administrator shall file a statement with the Secretary,**
13 **within the period described in paragraph (1), which includes—**

14 **“(i) the name and identifying number of each such participant (without**
15 **regard to whether such participant has separated from employment) or**
16 **beneficiaries,**

17 **“(ii) the amount of the vested account balance of each such participant or**
18 **beneficiary, and**

19 **“(iii) a separate accounting of such vested account balances in designated**
20 **Roth accounts (within the meaning of section 402A) and all other vested**
21 **account balances.**

22 **“(B) INCLUSION IN REGISTRATION STATEMENT.—If both subparagraph (A) and**
23 **paragraph (1) apply to a plan, the plan administrator shall include the**
24 **information required under subparagraph (A) in the registration statement under**
25 **paragraph (1) rather than file a statement under subparagraph (A).**

26 **“(C) ADJUSTMENTS FOR INFLATION.—In the case of any plan year beginning**
27 **after 2029, the \$2,500,000 amount under subparagraph (A) shall be increased by**
28 **an amount equal to the product of—**

29 **“(i) such dollar amount, and**

30 **“(ii) the cost-of-living adjustment under section 1(f)(3) for the calendar**
31 **year in which such taxable year begins, determined by substituting ‘calendar**
32 **year 2028’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof.**

33 **If the amount as adjusted under the preceding sentence is not a multiple of**
34 **\$250,000, such amount shall be rounded to the next lowest multiple of \$250,000.”.**

35 **(d) Effective Dates.—**

36 **(1) IN GENERAL.—The amendments made by subsections (a) and (b) shall apply to**
37 **taxable years beginning after December 31, 2028.**

38 **(2) PLAN REQUIREMENTS.—The amendments made by subsection (c) shall apply to**
39 **plan years beginning after December 31, 2028.**

1 **SEC. 138302. INCREASE IN MINIMUM REQUIRED**
2 **DISTRIBUTIONS FOR HIGH-INCOME TAXPAYERS**
3 **WITH LARGE RETIREMENT ACCOUNT BALANCES.**

4 (a) **In General.**—Section 4974 is amended by adding at the end the following:

5 “(e) **Increase in Minimum Required Distributions for High-income Taxpayers With**
6 **Large Aggregate Account Balances.**—

7 “(1) **IN GENERAL.**—If this subsection applies to a payee who is an applicable
8 taxpayer (as defined in section 409B(b)(4)) for a taxable year—

9 “(A) all qualified retirement plans and eligible deferred compensation plans of
10 the payee which are applicable retirement plans taken into account in computing
11 the excess described in paragraph (3)(A) shall be treated as 1 plan solely for
12 purposes of applying this section to the increase in minimum required
13 distributions for such taxable year determined under subparagraph (B), and

14 “(B) the minimum required distributions under this section for all plans treated
15 as 1 plan under subparagraph (A) with respect to such payee for such taxable
16 year shall be increased by the excess (if any) of—

17 “(i) the sum of—

18 “(I) if paragraph (2) applies to such taxable year, the applicable Roth
19 excess amount, plus

20 “(II) 50 percent of the excess determined under paragraph (3)(A),
21 reduced by the applicable Roth excess amount, over

22 “(ii) the sum of the minimum required distributions (determined without
23 regard to this subsection) for all such plans.

24 “(2) **APPLICABLE ROTH EXCESS AMOUNT.**—

25 “(A) **APPLICATION.**—For purposes of paragraph (1)(B)(i), this paragraph
26 applies to a taxable year of a payee if the aggregate vested balances to the credit
27 of the payee (whether as a participant, owner, or beneficiary) in all applicable
28 retirement plans (determined as of the close of the calendar year preceding the
29 calendar year in which the taxable year begins) exceed 200 percent of the
30 applicable dollar amount for the calendar year in which the taxable year begins.

31 “(B) **APPLICABLE ROTH EXCESS AMOUNT.**—The applicable Roth excess amount
32 for any taxable year to which this paragraph applies is an amount equal to the
33 lesser of—

34 “(i) the excess determined under subparagraph (A), or

35 “(ii) the aggregate balances to the credit of the payee (whether as a
36 participant, owner, or beneficiary) in all Roth IRAs and designated Roth
37 accounts (within the meaning of section 402A) as of the time described in
38 subparagraph (A).

1 **“(3) APPLICATION.—This subsection shall apply to a payee for a taxable year—**

2 **“(A) if the aggregate vested balances to the credit of the payee (whether as a**
3 **participant, owner, or beneficiary) in all applicable retirement plans (determined**
4 **as of the close of the calendar year preceding the calendar year in which the**
5 **taxable year begins) exceed the applicable dollar amount for the calendar year in**
6 **which the taxable year begins, and**

7 **“(B) without regard to whether amounts with respect to the payee are**
8 **otherwise required to be distributed under section 401(a)(9), 403(b)(10), 408(a)(6),**
9 **408(b)(3), or 457(d)(2).**

10 **“(4) COORDINATION AND ALLOCATION.—**

11 **“(A) MINIMUM DISTRIBUTION REQUIREMENTS.—If this subsection applies to a**
12 **payee for any taxable year—**

13 **“(i) this section shall apply first to minimum required distributions**
14 **determined without regard to this subsection and then to any increase in**
15 **minimum required distributions by reason of this subsection, and**

16 **“(ii) nothing in this subsection shall be construed to affect the amount of**
17 **any minimum required distribution determined without regard to this**
18 **subsection or the plan or plans from which it is required to be distributed.**

19 **“(B) ALLOCATION OF INCREASE IN MINIMUM REQUIRED DISTRIBUTIONS.—**

20 **“(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), the taxpayer**
21 **may, in such form and manner as the Secretary may prescribe, allocate any**
22 **increase in minimum required distributions by reason of this subsection to**
23 **applicable retirement plans treated as 1 plan under subparagraph (A) in**
24 **such manner as the taxpayer chooses.**

25 **“(ii) ALLOCATION TO ROTH IRAS AND ACCOUNTS.—In the case of a taxable**
26 **year to which paragraph (2) applies, the portion of any increase in minimum**
27 **required distributions by reason of this subsection equal to the applicable**
28 **Roth excess amount shall be allocated first to Roth IRAs and then to**
29 **designated Roth accounts (within the meaning of section 402A) of the payee.**

30 **“(iii) SPECIAL RULES FOR EMPLOYEE STOCK OWNERSHIP PLANS.—**

31 **“(I) IN GENERAL.—In the case of a payee to which this subsection**
32 **applies for any taxable year who has account balances in 1 or more**
33 **employee stock ownership plans (as defined in section 4975(e)(7)) any**
34 **portion of which is invested in employer securities which are not readily**
35 **tradable on an established securities market, the increase in minimum**
36 **required distributions by reason of this subsection shall not be allocated**
37 **to any such portion.**

38 **“(II) EXCEPTION FOR AMOUNTS ATTRIBUTABLE TO**
39 **ROLLOVER.—Subclause (I) shall not apply to so much of any account**
40 **balance as is attributable to a rollover contribution after the date of the**
41 **enactment of this subsection to the account in accordance with section**

1 **402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16).**

2 **“(5) DISTRIBUTIONS NOT ELIGIBLE FOR ROLLOVERS.—For purposes of determining**
3 **whether a distribution is an eligible rollover distribution, any distribution from an**
4 **applicable retirement plan which is attributable to any increase in minimum required**
5 **distributions by reason of this subsection shall be treated as a distribution required**
6 **under section 401(a)(9), 403(b)(10), 408(a)(6), 408(b)(3), or 457(d)(2), whichever is**
7 **applicable.**

8 **“(6) ROTH DISTRIBUTIONS TREATED AS QUALIFIED DISTRIBUTIONS.—In the case of any**
9 **distribution from a Roth IRA, or designated Roth account (within the meaning of**
10 **section 402A), of the payee by reason of the allocation of an increase in minimum**
11 **required distributions under this subsection, such distribution shall be treated as a**
12 **qualified distribution under section 408A(d)(2) or 402A(d)(2), as the case may be.**

13 **“(7) DEFINITIONS.—For purposes of this subsection, any term used in this subsection**
14 **which is also used in section 409B shall have the same meaning as when such term is**
15 **used in such section.”.**

16 **(b) Special Rules.—**

17 **(1) DISTRIBUTION RIGHTS.—**

18 **(A) QUALIFIED TRUSTS.—**

19 **(i) IN GENERAL.—Section 401(a) is amended by inserting after paragraph**
20 **(38) the following new paragraph:**

21 **“(39) IMMEDIATE DISTRIBUTION RIGHT.—A trust forming part of a defined**
22 **contribution plan shall not constitute a qualified trust under this section unless an**
23 **employee who certifies to the plan that the employee is a taxpayer who is subject to the**
24 **distribution requirements of section 4974(e) may elect to receive a distribution from**
25 **the employee’s account balance under the plan in such amount as the employee may**
26 **elect, including any amounts attributable to a qualified cash or deferred arrangement**
27 **(as defined in subsection (k)(2)). The preceding sentence shall not apply in the case of**
28 **any portion of an account balance to which section 4974(e)(4)(B)(iii)(I) applies.”.**

29 **(ii) APPLICATION TO EMPLOYEE’S ANNUITIES.—Section 404(a)(2) is**
30 **amended by striking “and (37)” and inserting “(37), and (39)”.**

31 **(B) ANNUITY CONTRACTS.—**

32 **(i) CUSTODIAL ACCOUNTS.—Section 403(b)(7)(A) is amended by adding at**
33 **the end the following new flush sentence:**

34 **“Notwithstanding clause (i), the custodial account shall permit an employee who**
35 **certifies that the employee is a taxpayer who is subject to the distribution**
36 **requirements of section 4974(e) to elect to receive a distribution from the**
37 **employee’s custodial account in such amount as the employee may elect.”.**

38 **(ii) ANNUITY CONTRACTS.—Section 403(b)(11) is amended by adding at the**
39 **end the following new sentence: “Notwithstanding subparagraphs (A), (B),**
40 **(C), and (D), the annuity contract shall permit an employee who certifies that**
41 **the employee is a taxpayer who is subject to the distribution requirements of**

1 section 4974(e) to elect to receive a distribution of contributions made
2 pursuant to a salary reduction agreement (within the meaning of section
3 402(g)(3)) from the employee's annuity contract in such amount as the
4 employee may elect.”

5 (C) GOVERNMENTAL PLANS.—Section 457(d)(1) is amended by adding at the
6 end the following new flush sentence:

7 “Notwithstanding subparagraph (A), an eligible deferred compensation plan of an
8 employer described in subsection (e)(1)(A) shall permit a participant or beneficiary
9 who certifies that the participant or beneficiary is a taxpayer who is subject to the
10 distribution requirements of section 4974(e) to elect to receive a distribution from the
11 plan in such amount as the participant or beneficiary may elect.”.

12 (2) EXCEPTION FROM 10 PERCENT ADDITIONAL TAX ON EARLY
13 DISTRIBUTIONS.—Section 72(t)(2) is amended by adding at the end the following new
14 subparagraph:

15 “(I) DISTRIBUTIONS OF EXCESS BALANCES.—Distributions from an applicable
16 retirement plan (within the meaning of section 409B)) to the extent such
17 distributions for the taxable year do not exceed the amount required to be
18 distributed from such plan under section 4974(e).”.

19 (3) WITHHOLDING.—Section 3405(b) is amended by adding at the end the following
20 new paragraph:

21 “(3) ADDITIONAL WITHHOLDING FOR REQUIRED DISTRIBUTIONS FROM HIGH BALANCE
22 RETIREMENT ACCOUNTS.—

23 “(A) IN GENERAL.—For purposes of this section, a distribution pursuant to
24 section 401(a)(39), the last sentence of section 403(b)(7)(A), the last sentence of
25 section 403(b)(11), and the last sentence of section 457(d)(1) shall be treated as a
26 nonperiodic distribution, except that in applying this subsection to such
27 distribution—

28 “(i) paragraph (1) shall be applied by substituting ‘35 percent’ for ‘10
29 percent’, and

30 “(ii) no election may be made under paragraph (2) with respect to such
31 distribution.

32 “(B) EXCEPTION.—Subparagraph (A) shall not apply to any qualified
33 distribution from a designated Roth account (within the meaning of section
34 402A).”.

35 (c) Effective Dates.—

36 (1) IN GENERAL.—The amendments made by subsection (a) shall apply to taxable
37 years beginning after December 31, 2028.

38 (2) PLAN REQUIREMENTS.—The amendments made by subsection (b) shall apply to
39 plan years beginning after December 31, 2028.

40 Subpart B—Other Provisions Relating to Individual

1 Retirement Plans

2 SEC. 138311. TAX TREATMENT OF ROLLOVERS TO 3 ROTH IRAS AND ACCOUNTS.

4 (a) Rollovers and Conversions Limited to Taxable Amounts.—

5 (1) ROTH IRAS.—

6 (A) IN GENERAL.—Paragraph (1) of section 408A(e) is amended by adding at
7 the end the following new sentence: “A qualified rollover contribution shall not
8 include any rollover contribution from any eligible retirement plan described in
9 subparagraph (B) (other than from a designated Roth account (within the
10 meaning of section 402A)) if any portion of the distribution from which such
11 contribution is made would (without regard to such contribution) be treated as
12 not includible in gross income.”

13 (B) CONVERSIONS.—Subparagraph (C) of section 408A(d)(3) is amended by
14 adding at the end the following new sentence: “This subparagraph shall not apply
15 if any portion of the plan being converted would be treated as not includible in
16 gross income if distributed at the time of the conversion.”

17 (2) DESIGNATED ROTH ACCOUNTS.—Section 402A(c)(4)(B) is amended by inserting “,
18 determined after the application of the last sentence of paragraph (1) thereof” after
19 “section 408A(e)”.

20 (3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to
21 distributions, transfers, and contributions made after December 31, 2021.

22 (b) No Rollovers or Conversions for High-income Taxpayers.—

23 (1) ROTH IRAS.—

24 (A) QUALIFIED ROLLOVER CONTRIBUTION.—Section 408A(e), as amended by
25 subsection (a), is amended by adding at the end the following:

26 “(3) HIGH-INCOME TAXPAYERS MAY ONLY ROLLOVER FROM ROTH IRAS AND
27 ACCOUNTS.—If—

28 “(A) a taxpayer is an applicable taxpayer (as defined in section 409B(b)(4)) for
29 the taxable year in which a distribution is made, and

30 “(B) such distribution is contributed to a Roth IRA in a rollover contribution,
31 such contribution shall be treated as a qualified rollover contribution under
32 paragraph (1) only if it is made from another Roth IRA or from a designated Roth
33 account (within the meaning of section 402A).”.

34 (B) ELIMINATION OF CONVERSIONS.—Paragraph (3) of section 408A(d), as
35 amended by subsection (a), is amended by adding at the end the following:

36 “(G) PARAGRAPH NOT TO APPLY TO HIGH-INCOME TAXPAYERS.—If a taxpayer is
37 an applicable taxpayer (as defined in section 409B(b)(4)) for any taxable year, this
38 paragraph shall not apply to any distribution to which this paragraph otherwise

1 applies (or to any conversion described in subparagraph (C)) which is made
2 during such taxable year.”.

3 (2) DESIGNATED ROTH ACCOUNTS.—Paragraph (4) of section 402A(c) is amended by
4 adding at the end the following:

5 “(F) PARAGRAPH NOT TO APPLY TO HIGH-INCOME TAXPAYERS.—If a taxpayer is
6 an applicable taxpayer (as defined in section 409B(b)(4)) for any taxable year, this
7 paragraph shall not apply to any distribution to which this paragraph otherwise
8 applies and which is made during such taxable year.”.

9 (3) CONFORMING AMENDMENT.—Section 409B(b)(4)(C), as added by this Act, is
10 amended—

11 (A) by striking “and without regard to” and inserting “without regard to”, and

12 (B) by inserting before the period at the end the following: “, and without
13 regard to the inclusion in gross income of any converted or contributed amount
14 described in section 408A(e)(3), 408A(d)(3)(G), or 402A(c)(4)(F).”.

15 (4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to
16 distributions, transfers, and contributions made in taxable years beginning after
17 December 31, 2031.

18 SEC. 138312. STATUTE OF LIMITATIONS WITH 19 RESPECT TO IRA NONCOMPLIANCE.

20 (a) In General.—Subsection (c) of section 6501 is amended by adding at the end the
21 following new paragraph:

22 “(13) NONCOMPLIANCE RELATING TO AN INDIVIDUAL RETIREMENT PLAN.—

23 “(A) MISREPORTING.—In the case of any substantial error (willful or otherwise)
24 in the reporting on a return of any information relating to the valuation of
25 investment assets with respect to an individual retirement plan, the time for
26 assessment of any tax imposed by this title with respect to such plan shall not
27 expire before the date which is 6 years after the return containing such error was
28 filed (whether or not such return was filed on or after the date prescribed).

29 “(B) PROHIBITED TRANSACTIONS.—The time for assessment of any tax imposed
30 by section 4975 shall not expire before the date which is 6 years after the return
31 was filed (whether or not such return was filed on or after the date prescribed).”.

32 (b) Effective Date.—The amendment made by this section shall apply to taxes with
33 respect to which the 3-year period under section 6501(a) of the Internal Revenue Code of
34 1986 (without regard to the amendment made by this section) ends after December 31,
35 2021.

36 SEC. 138313. IRA OWNERS TREATED AS 37 DISQUALIFIED PERSONS FOR PURPOSES OF 38 PROHIBITED TRANSACTION RULES.

1 (a) **In General.**—Paragraph (2) of section 4975(e) is amended—

2 (1) by striking “or” at the end of subparagraph (H),

3 (2) by striking the period at the end of subparagraph (I) and inserting “; or”,

4 (3) by inserting after subparagraph (I) the following new subparagraph:

5 “(J) the individual for whose benefit a plan described in subparagraph (B) or
6 (C) of paragraph (1) is maintained.”,

7 (4) by striking “or (E)” both places it appears in subparagraphs (F) and (G) and
8 inserting “(E), or (J) (in the case of a plan described in subparagraph (B) or (C) of
9 paragraph (1))”,

10 (5) by striking “or (G)” in subparagraph (I) and inserting “(G), or (J) (in the case of
11 a plan described in subparagraph (B) or (C) of paragraph (1))”, and

12 (6) by adding at the end the following: “For purposes of subparagraphs (G) and (I),
13 any asset or interest held by a plan described in subparagraph (B) or (C) of paragraph
14 (1) shall be treated as owned by the individual described in subparagraph (J) with
15 respect to such plan.”.

16 (b) **Conforming Amendment.**—Subparagraph (A) of section 408(e)(2) is amended to read
17 as follows:

18 “(A) **EMPLOYEE ENGAGING IN PROHIBITED TRANSACTION.**—If, during any
19 taxable year of the individual for whose benefit any individual retirement account
20 is maintained, that individual engages in any transaction prohibited by section
21 4975 with respect to such account, such account ceases to be an individual
22 retirement account as of the first day of such taxable year. For purposes of this
23 paragraph, the separate account for the benefit of any individual within an
24 individual retirement account maintained by an employer or association of
25 employees is treated as a separate individual retirement account.”.

26 (c) **Effective Date.**—The amendments made by this section shall apply to transactions
27 occurring after December 31, 2021.

28 **PART 4—FUNDING THE INTERNAL REVENUE SERVICE**
29 **AND IMPROVING TAXPAYER COMPLIANCE**

30 **SEC. ~~138301~~ 138401. ENHANCEMENT OF INTERNAL**
31 **REVENUE SERVICE RESOURCES.**

32 (a) **Appropriations.**—

33 (1) **IN GENERAL.**—The following sums are appropriated, out of any money in the
34 Treasury not otherwise appropriated, for the fiscal year ending September 30, 2022:

35 (A) **INTERNAL REVENUE SERVICE.**—

36 (i) **IN GENERAL.**—

37 (I) **TAXPAYER SERVICES.**—For necessary expenses of the Internal Revenue

1 Service to provide taxpayer services, including pre-filing assistance and
2 education, filing and account services, taxpayer advocacy services, and other
3 services as authorized by 5 U.S.C. 3109, at such rates as may be determined
4 by the Commissioner, \$1,931,500,000, to remain available until September
5 30, 2031: Provided, That these amounts shall be in addition to ~~any other~~
6 ~~funds made~~ **amounts otherwise** available for ~~this purpose~~ **such purposes**.

7 (II) ENFORCEMENT.—For necessary expenses for tax enforcement
8 activities of the Internal Revenue Service to determine and collect owed
9 taxes, to provide legal and litigation support, to conduct criminal
10 investigations (including investigative technology), to provide
11 ~~cryptocurrency~~ **digital asset** monitoring and compliance activities, to enforce
12 criminal statutes related to violations of internal revenue laws and other
13 financial crimes, to purchase and hire passenger motor vehicles (31 U.S.C.
14 1343(b)), and to provide other services as authorized by 5 U.S.C. 3109, at
15 such rates as may be determined by the Commissioner, \$44,887,500,000, to
16 remain available until September 30, 2031: Provided, That these amounts
17 shall be in addition to ~~any other funds made~~ **amounts otherwise** available
18 for ~~this purpose~~ **such purposes**.

19 (III) OPERATIONS SUPPORT.—For necessary expenses of the Internal
20 Revenue Service to support taxpayer services and enforcement programs,
21 including rent payments; facilities services; printing; postage; physical
22 security; headquarters and other IRS-wide administration activities; research
23 and statistics of income; telecommunications; information technology
24 development, enhancement, operations, maintenance, and security; the hire
25 of passenger motor vehicles (31 U.S.C. 1343(b)); the operations of the
26 Internal Revenue Service Oversight Board; and other services as authorized
27 by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner,
28 \$27,376,300,000, to remain available until September 30, 2031: Provided,
29 That these amounts shall be in addition to ~~any other funds made~~ **amounts**
30 **otherwise** available for ~~this purpose~~ **such purposes**.

31 (IV) BUSINESS SYSTEMS MODERNIZATION.—For necessary expenses of the
32 Internal Revenue Service’s business systems modernization program,
33 including development of callback technology and other technology to
34 provide a more personalized customer service but not including the operation
35 and maintenance of legacy systems, \$4,750,700,000, to remain available
36 until September 30, 2031: Provided, That these amounts shall be in addition
37 to ~~any other funds made~~ **amounts otherwise** available for ~~this purpose~~ **such**
38 **purposes**.

39 (ii) TASK FORCE TO DESIGN AN IRS-RUN FREE “DIRECT EFILE” TAX RETURN
40 SYSTEM.—For necessary expenses of the Internal Revenue Service to deliver to
41 Congress, **within nine months following the date of the enactment of this Act**,
42 a report on (I) the cost (including options for differential coverage based on
43 taxpayer adjusted gross income and return complexity) of developing and running
44 a free direct efile tax return system, including costs to build and administer each
45 release, with a focus on multi-lingual and mobile-friendly features and safeguards

1 for taxpayer data; (II) taxpayer opinions, expectations, and level of trust, based on
2 surveys, for such a free direct efile system; and (III) the opinions of an
3 independent third-party on the overall feasibility, approach, schedule, cost,
4 organizational design, and Internal Revenue Service capacity to deliver such a
5 direct efile tax return system, \$15,000,000, to remain available until September
6 30, ~~2023~~ **2022**: Provided, That these amounts shall be in addition to ~~any other~~
7 ~~funds made~~ **amounts otherwise** available for ~~this purpose~~ **such purposes**.

8 (B) TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION.—For necessary
9 expenses of the Treasury Inspector General for Tax Administration in carrying out the
10 Inspector General Act of 1978, as amended, including purchase and hire of passenger
11 motor vehicles (31 U.S.C. 1343(b)); and services authorized by 5 U.S.C. 3109, at such
12 rates as may be determined by the Inspector General for Tax Administration,
13 \$403,000,000, to remain available until September 30, 2031: Provided, That these
14 amounts shall be in addition to ~~any other funds made~~ **amounts otherwise** available for
15 ~~this purpose~~ **such purposes**.

16 (C) OFFICE OF TAX POLICY.—For necessary expenses of the Office of Tax ~~policy~~
17 **Policy** of the Department of the Treasury to carry out functions related to promulgating
18 regulations under the Internal Revenue Code of 1986, \$104,533,803, to remain
19 available until September 30, 2031: Provided, That these amounts shall be in addition
20 to ~~any other funds made~~ **amounts otherwise** available for ~~this purpose~~ **such purposes**.

21 (D) UNITED STATES TAX COURT.—For necessary expenses **of the United States Tax**
22 **Court**, including contract reporting and other services as authorized by 5 U.S.C. 3109,
23 ~~and not to exceed \$3,000 for official reception and representation expenses;~~
24 \$153,000,000, to remain available until September 30, 2031: Provided, That these
25 amounts shall be in addition to ~~any other funds made~~ **amounts otherwise** available for
26 ~~this purpose~~ **such purposes**.

27 (2) MULTI-YEAR OPERATIONAL PLAN.—

28 (A) IN GENERAL.—Not later than 6 months after the date of the enactment of this
29 Act, the Commissioner of Internal Revenue shall submit to Congress a plan detailing
30 how the funds appropriated under paragraph (1)(A)(i) will be spent over the ten-year
31 period ending with fiscal year 2031.

32 (B) QUARTERLY UPDATES.—

33 (i) IN GENERAL.—Not later than the last day of each calendar quarter beginning
34 during the applicable period, the Commissioner of Internal Revenue shall submit
35 to Congress a report on the plan established under subparagraph (A), including—

36 (I) any updates to the plan;

37 (II) progress made in implementing the plan; and

38 (III) any changes in circumstances or challenges in implementing the plan.

39 (ii) APPLICABLE PERIOD.—For purposes of clause (i), the applicable period is
40 the period beginning 1 year after the date the report under subparagraph (A) is due
41 and ending on September 30, 2031.

1 (C) REDUCTION IN APPROPRIATION.—

2 (i) IN GENERAL.—In the case of any failure to submit a plan required under
3 subparagraph (A) or a report required under subparagraph (B) by the required
4 date, the amounts made available under paragraph (1)(A)(i) shall be reduced by
5 \$100,000 for each day after such required date that report has not been submitted
6 to Congress.

7 (ii) REQUIRED DATE.—For purposes of clause (i), the required date is the date
8 that is 60 days after the date the plan or report is required to be submitted under
9 subparagraph (A) or (B), as the case may be.

10 (3) NO TAX INCREASES ON CERTAIN TAXPAYERS.—Nothing in this subsection is intended
11 to increase taxes on any taxpayer with a taxable income below \$400,000.

12 (b) Personnel Flexibilities.—The Secretary of the Treasury (or the Secretary’s delegate) may
13 use the funds made available under subsection (a)(1)(A), subject to such policies as the Secretary
14 (or the Secretary’s delegate) may establish, to take such personnel actions as the Secretary (or the
15 Secretary’s delegate) determines necessary to administer the Internal Revenue Code of 1986,
16 including—

17 (1) utilizing direct hire authority to recruit and appoint qualified applicants, without
18 regard to any notice or preference requirements, directly to positions in the competitive
19 service;

20 (2) in addition to the authority under section 7812(1) of the Internal Revenue Code of
21 1986, appointing not more than 200 individuals to positions in the Internal Revenue Service
22 under streamlined critical pay authority, except that—

23 (A) the authority to offer streamlined critical pay under this paragraph shall expire
24 on September 30, 2031; and

25 (B) the positions for which streamlined critical pay is authorized under this
26 paragraph may include positions critical to the purposes described in subclauses (I),
27 (II), and (III) of subsection (a)(1)(A)(i); and

28 (3) appointing, without approval of the Office of Personnel Management, not more than
29 300 individuals to critical pay positions in the Internal Revenue Service for which—

30 (A) the rate of basic pay may not exceed the salary set in accordance with section
31 104 of title 3, United States Code; and

32 (B) the total annual compensation paid to an employee in such a position, including
33 allowances, differentials, bonuses, awards, and similar cash payments, may not exceed
34 the maximum amount of total annual compensation payable at the salary set in
35 accordance with section 104 of title 3, United States Code.

36 **SEC. ~~138302~~ 138402. APPLICATION OF BACKUP**
37 **WITHHOLDING WITH RESPECT TO THIRD PARTY**
38 **NETWORK TRANSACTIONS.**

39 (a) In General.—Section 3406(b) is amended by adding at the end the following new

1 paragraph:

2 “(8) OTHER REPORTABLE PAYMENTS INCLUDE PAYMENTS IN SETTLEMENT OF THIRD PARTY
3 NETWORK TRANSACTIONS ONLY WHERE AGGREGATE FOR CALENDAR YEAR IS \$600 OR
4 MORE.—Any payment in settlement of a third party network transaction required to be
5 shown on a return required under section 6050W which is made during any calendar year
6 shall be treated as a reportable payment only if—

7 “(A) the aggregate amount of such payment and all previous such payments made
8 by the third party settlement organization to the participating payee during such
9 calendar year equals or exceeds \$600, or

10 “(B) the third party settlement organization was required under section 6050W to
11 file a return for the preceding calendar year with respect to payments to the
12 participating payee.”.

13 (b) Conforming Amendment.—Section 6050W(e) is amended by inserting “equal or” before
14 “exceed \$600”.

15 (c) Effective Date.—The amendments made by this section shall apply to calendar years
16 beginning after December 31, 2021.

17 (d) Transitional Rule for 2022.—In the case of payments made during calendar year 2022,
18 section 3406(b)(8)(A) of the Internal Revenue Code of 1986 (as added by this section) shall be
19 applied by inserting “and the aggregate number of third party network transactions settled by the
20 third party settlement organization with respect to the participating payee during such calendar
21 year exceeds 200” before the comma at the end.

22 **SEC. ~~138303~~ 138403. MODIFICATION OF PROCEDURAL**
23 **REQUIREMENTS RELATING TO ASSESSMENT OF**
24 **PENALTIES.**

25 (a) Repeal of Approval Requirement.—Section 6751, ~~as amended by the preceding provision~~
26 ~~of this Act~~, is amended by striking subsection (b).

27 (b) Quarterly Certifications of Compliance With Procedural Requirements.—Section 6751, as
28 amended by subsection (a) of this section, is amended by inserting after subsection (a) the
29 following new subsection:

30 “(b) Quarterly Certifications of Compliance.—Each appropriate supervisor of employees of
31 the Internal Revenue Service shall certify quarterly by letter to the Commissioner of Internal
32 Revenue whether or not the requirements of subsection (a) **and administrative policies**
33 **intended to ensure voluntary compliance** have been met with respect to notices of penalty
34 issued by such employees.”.

35 (c) Effective Dates.—

36 (1) REPEAL OF APPROVAL REQUIREMENT.—The amendment made by subsection (a) shall
37 take effect as if included in section 3306 of the Internal Revenue Service Restructuring and
38 Reform Act of 1998.

39 (2) QUARTERLY CERTIFICATIONS OF COMPLIANCE WITH PROCEDURAL

1 REQUIREMENTS.—The amendment made by subsection (b) shall apply to notices of penalty
2 issued after the date of the enactment of this Act.

3 **PART 4—OTHER 5—OTHER PROVISIONS**

4 **SEC. ~~138401~~ 138501. MODIFICATIONS TO LIMITATION**
5 **ON DEDUCTION OF EXCESSIVE EMPLOYEE**
6 **REMUNERATION.**

7 (a) In General.—Section 162(m) is amended by adding at the end the following new
8 paragraph:

9 “(7) SPECIAL RULES RELATED TO LIMITATION ON DEDUCTION OF EXCESSIVE EMPLOYEE
10 REMUNERATION.—

11 “(A) AGGREGATION RULE.—A rule similar to the rule of paragraph (6)(C)(ii) shall
12 apply for purposes of paragraph (1).

13 “(B) REGULATIONS.—The Secretary shall prescribe such regulations or other
14 guidance as may be necessary or appropriate to carry out the purposes of paragraph
15 (1), including regulations or other guidance to prevent the avoidance of such purposes,
16 including through the performance of services other than as an employee or by
17 providing compensation through a pass-through or other entity.”

18 (b) Applicable Employee Remuneration.—Section 162(m)(4)(A) is amended—

19 (1) by inserting “(including performance-based compensation, commissions,
20 post-termination compensation, and beneficiary payments)” after “remuneration for
21 services”, and

22 (2) by inserting “and whether or not such remuneration is paid directly by the publicly
23 held corporation” after “whether or not during the taxable year”.

24 (c) Effective Date.—The amendments made by this section shall apply to taxable years
25 beginning after December 31, 2021.

26 **SEC. ~~138402~~ 138502. EXTENSION OF TAX TO FUND**
27 **BLACK LUNG DISABILITY TRUST FUND.**

28 (a) In General.—Section 4121(e)(2)(A) is amended by striking “December 31, 2021” and
29 inserting “December 31, 2025”.

30 (b) Effective Date.—The amendment made by this section shall apply to sales after December
31, 2021.

32 **SEC. ~~138403~~ 138503. PROHIBITED TRANSACTIONS**
33 **RELATING TO HOLDING DISC OR FSC IN INDIVIDUAL**
34 **RETIREMENT ACCOUNT.**

35 (a) In General.—Section 4975(c)(1) is amended by striking “or” at the end of subparagraph

1 (E), by striking the period at the end of subparagraph (F) and inserting “; or”, and by adding at
2 the end the following new subparagraph:

3 “(G) investment, at the direction of a disqualified person, by an individual retirement
4 account in an interest in a DISC or FSC that receives any commission, or other
5 payment, from an entity any stock or interest in which is owned by the individual for
6 whose benefit the account is maintained.”.

7 (b) Special Rules of Application.—Section 4975(c) is amended by adding at the end the
8 following new paragraph:

9 “(8) SPECIAL RULES OF APPLICATION FOR DISC AND FSC INVESTMENTS.—

10 “(A) INDIRECT HOLDING OF DISC OR FSC.—For purposes of paragraph (1)(G),
11 investment by an individual retirement account in an interest in an entity that owns
12 (directly or indirectly) an interest in a DISC or FSC shall be treated as investment by
13 such account in an interest in such DISC or FSC.

14 “(B) CONSTRUCTIVE OWNERSHIP.—For purposes of determining ownership of stock
15 (or any other interest) in an entity under paragraph (1)(G) and ownership of an interest
16 in a DISC or FSC under subparagraph (A), the rules prescribed by section 318 for
17 determining ownership shall apply, except that such section shall be applied by
18 substituting ‘10 percent’ for ‘50 percent’ each place it appears.

19 “(C) DISC AND FSC.—For purposes of this subsection, the terms ‘DISC’ and ‘FSC’
20 shall have the respective meanings given such terms by section 992(a)(1)) and section
21 922(a) (as in effect before its repeal by the FSC Repeal and Extraterritorial Income
22 Exclusion Act of 2000).”.

23 (c) Application of Tax to Terminated Individual Retirement Accounts.—Section 4975(c)(3) is
24 amended by adding at the end the following: “The preceding sentence shall not apply in the case
25 of a prohibited transaction described in paragraph (1)(G).”.

26 (d) Related Rules for Individual Retirement Accounts.—

27 (1) IN GENERAL.—Section 408(a) is amended by inserting after paragraph (6) the
28 following new paragraph:

29 “(7) No part of the trust funds will be invested in any interest in a DISC or a FSC that
30 receives any commission, or other payment, from an entity any stock or interest in which is
31 owned by the individual for whose benefit the trust is maintained. For purposes of the
32 preceding sentence, the definitions and rules of section 4975(c)(8) shall apply.”.

33 (e) Loss of Exemption of Account.—Section 408(e)(2) is amended—, as amended by the
34 preceding provisions of this Act, is amended—

35 (1) by striking “established” each place it appears in subparagraph (A) and inserting
36 “maintained”;

37 (2)(1) by redesignating subparagraph (B) as subparagraph (C),

38 (3)(2) by inserting after subparagraph (A) the following new subparagraph:

39 “(B) PROHIBITED INVESTMENT.—If, during any taxable year of the individual for
40 whose benefit any individual retirement account is maintained, the investment of any

1 part of the funds of such individual retirement account does not comply with
2 subsection (a)(7), such account ceases to be an individual retirement account as of the
3 first day of such taxable year. ~~Rules similar to the rules of clauses (i) and (ii) of~~
4 ~~subparagraph (A) shall apply for purposes of this subparagraph.~~ **For purposes of this**
5 **subparagraph, the separate account for the benefit of any individual within an**
6 **individual retirement account maintained by an employer or association of**
7 **employees is treated as a separate individual retirement account.**”

8 (4)(3) by striking “WHERE EMPLOYEE ENGAGES IN PROHIBITED TRANSACTION” in the
9 heading and inserting “IN CASE OF CERTAIN PROHIBITED TRANSACTIONS AND INVESTMENTS”

10 (5) by striking “In general” in the heading of subparagraph (A) and inserting “Employee-
11 engaging in prohibited transaction”, and

12 (6)(4) by striking “(A)” in subparagraph (C), as so redesignated, and inserting “(A) or
13 (B)”.

14 (f) Conforming Amendments.—

15 (1) Section 408(c)(1) is amended by striking “(1) through (6)” and inserting “(1) through
16 (7)”.

17 (2) Section 4975(c)(3) is amended—

18 (A) striking “established” and inserting “maintained”,

19 (B) by striking “transaction” both places it appears and inserting “transaction or
20 investment”, and

21 (C) by striking “section 408(e)(2)(A)” and inserting “subparagraph (A) or (B) of
22 section 408(e)(2)”.

23 (g) Effective Date.—The amendments made by this section shall apply to stock and other
24 interests acquired or held on or after December 31, 2021.

25 **SEC. ~~138404~~ 138504. CLARIFICATION OF TREATMENT**
26 **OF DISC GAINS AND DISTRIBUTIONS OF CERTAIN**
27 **FOREIGN SHAREHOLDERS.**

28 (a) In General.—Section 996(g) of the Internal Revenue Code of 1986 is amended by striking
29 “of such shareholder” and inserting “deemed to be had by such shareholder”.

30 (b) Effective Date.—The amendments made by subsection (a) shall apply to gains and
31 distributions after December 31, 2021.

32 (c) Application to Foreign Sales Corporations.—In the case of any distribution after December
33 31, 2021, section 926(b)(1) of the Internal Revenue Code of 1986 (prior to its repeal by the FSC
34 Repeal and Extraterritorial Income Exclusion Act of 2000) shall be applied by substituting
35 “deemed to be had by such shareholder” for “of such shareholder”.

36 ~~Subtitle H—Supplemental Security Income for the Territories~~ **(d) No Inference.—This**
37 **section (and the amendments made by this section) shall not be construed to create any**
38 **inference with respect to the proper application of any provision of the Internal Revenue**

1 Code of 1986 with respect to gains and distributions before January 1, 2022.

2 **SEC. 138505. TREATMENT OF CERTAIN QUALIFIED**
3 **SOUND RECORDING PRODUCTIONS.**

4 (a) Election To Treat Costs as Expenses.—Section 181(a)(1) is amended by striking
5 “qualified film or television production, and any qualified live theatrical production,” and
6 inserting “qualified film or television production, any qualified live theatrical production,
7 and any qualified sound recording production”.

8 (b) Dollar Limitation.—Section 181(a)(2) is amended by adding at the end the following
9 new subparagraph:

10 “(C) QUALIFIED SOUND RECORDING PRODUCTION.—Paragraph (1) shall not
11 apply to so much of the aggregate cost of any qualified sound recording
12 production, or to so much of the aggregate, cumulative cost of all such qualified
13 sound recording productions in the taxable year, as exceeds \$150,000.”.

14 (c) No Other Deduction or Amortization Deduction Allowable.—Section 181(b) is
15 amended by striking “qualified film or television production or any qualified live theatrical
16 production” and inserting “qualified film or television production, any qualified live
17 theatrical production, or any qualified sound recording production”.

18 (d) Election.—Section 181(c)(1) is amended by striking “qualified film or television
19 production or any qualified live theatrical production” and inserting “qualified film or
20 television production, any qualified live theatrical production, or any qualified sound
21 recording production”.

22 (e) Qualified Sound Recording Production Defined.—Section 181 is amended by
23 redesignating subsections (f) and (g) as subsections (g) and (h), respectively, and by
24 inserting after subsection (e) the following new subsection:

25 “(f) Qualified Sound Recording Production.—For purposes of this section, the term
26 ‘qualified sound recording production’ means a sound recording (as defined in section 101
27 of title 17, United States Code) produced and recorded in the United States.”.

28 (f) Termination.—Section 181(h) (as redesignated by subsection (e)) is amended by
29 striking “or qualified live theatrical productions” and inserting “, qualified live theatrical
30 productions, or qualified sound recording productions”.

31 (g) Bonus Depreciation.—

32 (1) QUALIFIED SOUND RECORDING PRODUCTION AS QUALIFIED PROPERTY.—Section
33 168(k)(2)(A)(i) is amended—

34 (A) by striking “or” at the end of subclause (IV), by adding “or” at the end of
35 subclause (V), and by inserting after subclause (V) the following:

36 “(VI) which is a qualified sound recording production (as defined in
37 subsection (f) of section 181) for which a deduction would have been
38 allowable under section 181 without regard to subsections (a)(2) and (h)
39 of such section or this subsection,” and

1 **(B) in subclauses (IV) and (V) (as amended) by striking “without regard to**
2 **subsections (a)(2) and (g)” both places it appears and inserting “without regard to**
3 **subsections (a)(2) and (h)”.**

4 **(2) PRODUCTION PLACED IN SERVICE.—Section 168(k)(2)(H) is amended by striking**
5 **“and” at the end of clause (i), by striking the period at the end of clause (ii) and**
6 **inserting “, and”, and by adding after clause (ii) the following:**

7 **“(iii) a qualified sound recording production shall be considered to be**
8 **placed in service at the time of initial release or broadcast.”.**

9 **(h) Conforming Amendments.—**

10 **(1) The heading for section 181 is amended to read as follows: “treatment of certain**
11 **qualified productions.”.**

12 **(2) The table of sections for part VI of subchapter B of chapter 1 is amended by**
13 **striking the item relating to section 181 and inserting the following new item:**

14 **“Sec.181.Treatment of certain qualified productions.”.**

15 **(i) Effective Date.—The amendments made by this section shall apply to productions**
16 **commencing in taxable years ending after the date of the enactment of this Act.**

17 **SEC. 138506. PAYMENT TO CERTAIN INDIVIDUALS** 18 **WHO DYE FUEL.**

19 **(a) In General.—Subchapter B of chapter 65 is amended by adding at the end the**
20 **following new subsection:**

21 **“SEC. 6433. DYED FUEL.**

22 **“(a) In General.—If a person establishes to the satisfaction of the Secretary that such**
23 **person meets the requirements of subsection (b) with respect to diesel fuel or kerosene,**
24 **then the Secretary shall pay to such person an amount (without interest) equal to the tax**
25 **described in subsection (b)(2)(A) with respect to such diesel fuel or kerosene.**

26 **“(b) Requirements.—**

27 **“(1) IN GENERAL.—A person meets the requirements of this subsection with respect**
28 **to diesel fuel or kerosene if such person removes from a terminal eligible indelibly**
29 **dyed diesel fuel or kerosene.**

30 **“(2) ELIGIBLE INDELIBLY DYED DIESEL FUEL OR KEROSENE DEFINED.—The term**
31 **‘eligible indelibly dyed diesel fuel or kerosene’ means diesel fuel or kerosene—**

32 **“(A) with respect to which a tax under section 4081 was previously paid (and**
33 **not credited or refunded), and**

34 **“(B) which is exempt from taxation under section 4082(a).**

35 **“(c) Cross Reference.—For civil penalty for excessive claims under this section, see**
36 **section 6675.”.**

37 **(b) Conforming Amendments.—**

1 (1) Section 6206 is amended—

2 (A) by striking “or 6427” each place it appears and inserting “6427, or 6433”,
3 and

4 (B) by striking “6420 and 6421” and inserting “6420, 6421, and 6433”.

5 (2) Section 6430 is amended—

6 (A) by striking “or” at the end of paragraph (2), by striking the period at the
7 end of paragraph (3) and inserting “or”, and by adding at the end the following
8 new paragraph:

9 “(4) which are removed as eligible indelibly dyed diesel fuel or kerosene under
10 section 6433.”.

11 (3) Section 6675 is amended—

12 (A) in subsection (a), by striking “or 6427 (relating to fuels not used for taxable
13 purposes)” and inserting “6427 (relating to fuels not used for taxable purposes),
14 or 6433 (relating to eligible indelibly dyed fuel)”, and

15 (B) in subsection (b)(1), by striking “6421, or 6427,” and inserting “6421, 6427,
16 or 6433”.

17 (4) The table of sections for subchapter B of chapter 65 is amended by adding at the
18 end the following new item:

19 “Sec.6433.Dyed fuel.”.

20 (c) Effective Date.—The amendments made by this section shall apply to eligible
21 indelibly dyed diesel fuel or kerosene removed on or after the date that is 180 days after the
22 date of the enactment of this section.

23 **SEC. 138507. TREATMENT OF FINANCIAL GUARANTY**
24 **INSURANCE COMPANIES AS QUALIFYING**
25 **INSURANCE CORPORATIONS UNDER PASSIVE**
26 **FOREIGN INVESTMENT COMPANY RULES.**

27 (a) In General.—Section 1297(f)(3) is amended by adding at the end the following new
28 subparagraph:

29 “(C) SPECIAL RULES FOR FINANCIAL GUARANTY INSURANCE COMPANIES.—

30 “(i) IN GENERAL.—Notwithstanding subparagraphs (A)(ii) and (B), the
31 applicable insurance liabilities of a financial guaranty insurance company
32 shall include its unearned premium reserves if—

33 “(I) such company is prohibited under generally accepted accounting
34 principles from reporting on its applicable financial statements reserves
35 for losses and loss adjustment expenses with respect to a financial
36 guaranty insurance or reinsurance contract except to the extent that
37 losses and loss adjustment expenses are expected to exceed the unearned
38 premium reserves on the contract,

1 “(II) the applicable financial statement of such company reports
2 financial guaranty exposure of at least 15-to-1 or State or local bond
3 exposure of at least 9-to-1 (8-to-1 in the case of a taxable year of such
4 company which ends on or before December 31, 2018), and

5 “(III) such company includes in its insurance liabilities only its
6 unearned premium reserves relating to insurance written or assumed
7 that is within the single risk limits set forth in subsection (D) of section 4
8 of the Financial Guaranty Insurance Guideline (modified by using total
9 shareholder’s equity as reported on the applicable financial statement of
10 the company rather than aggregate of the surplus to policyholders and
11 contingency reserves).

12 “(ii) APPLICATION OF ALTERNATIVE FACTS AND CIRCUMSTANCES TEST.—A
13 financial guaranty insurance company shall be treated as satisfying the
14 requirements of paragraph (2)(B)(ii).

15 “(iii) FINANCIAL GUARANTY INSURANCE COMPANY.—For purposes of this
16 subparagraph, the term ‘financial guaranty insurance company’ means any
17 insurance company the sole business of which is writing or reinsuring
18 financial guaranty insurance (as defined in subsection (A) of section 1 of the
19 Financial Guaranty Insurance Guideline) which is permitted under
20 subsection (B) of section 4 of such Guideline.

21 “(iv) FINANCIAL GUARANTY EXPOSURE.—For purposes of this
22 subparagraph, the term ‘financial guaranty exposure’ means the ratio of—

23 “(I) the net debt service outstanding insured or reinsured by the
24 company that is within the single risk limits set forth in the Financial
25 Guaranty Insurance Guideline (as reported on such company’s
26 applicable financial statement), to

27 “(II) the company’s total assets (as so reported).

28 “(v) STATE OR LOCAL BOND EXPOSURE.—For purposes of this
29 subparagraph, the term ‘State or local bond exposure’ means the ratio of—

30 “(I) the net unpaid principal of State or local bonds (as defined in
31 section 103(c)(1)) insured or reinsured by the company that is within the
32 single risk limits set forth in the Financial Guaranty Insurance
33 Guideline (as reported on such company’s applicable financial
34 statement), to

35 “(II) the company’s total assets (as so reported).”

36 “(vi) FINANCIAL GUARANTY INSURANCE GUIDELINE.—For purposes of this
37 subparagraph—

38 “(I) IN GENERAL.—The term ‘Financial Guaranty Insurance
39 Guideline’ means the October 2008 model regulation that was adopted
40 by the National Association of Insurance Commissioners on December 4,
41 2007.

1 **“(II) DETERMINATIONS MADE BY SECRETARY.—**The determination of
2 **whether any provision of the Financial Guaranty Insurance Guideline**
3 **has been satisfied shall be made by the Secretary.”.**

4 **(b) Reporting of Certain Items.—**Section 1297(f)(4) is amended by adding at the end the
5 **following new subparagraph:**

6 **“(C) CLARIFICATION THAT CERTAIN ITEMS ON APPLICABLE FINANCIAL**
7 **STATEMENT BE SEPARATELY REPORTED WITH RESPECT TO CORPORATION.—**An
8 **amount described in paragraph (1)(B) or clause (i)(II), (i)(III), (iv)(I), (iv)(II),**
9 **(v)(I), or (v)(II) of paragraph (3)(C) shall be treated as reported on an applicable**
10 **financial statement for purposes of this section if—**

11 **“(i) such amount is separately reported on such statement with respect to**
12 **the corporation referred to in paragraph (1), or**

13 **“(ii) such amount is separately determined for purposes of calculating an**
14 **amount which is reported on such statement.**

15 **“(D) AUTHORITY OF SECRETARY TO REQUIRE REPORTING.—**

16 **“(i) IN GENERAL.—**Each United States person who owns an interest in a
17 **specified non-publicly traded foreign corporation and who takes the position**
18 **that such corporation is not a passive foreign investment company shall**
19 **report to the Secretary such information with respect to such corporation as**
20 **the Secretary may require.**

21 **“(ii) SPECIFIED NON-PUBLICLY TRADED FOREIGN CORPORATION.—**For
22 **purposes of this subparagraph, the term ‘specified non-publicly traded**
23 **foreign corporation’ means any foreign corporation—**

24 **“(I) which would be a passive foreign investment company if**
25 **subsection (b)(2)(B) did not apply, and**

26 **“(II) no interest in which is traded on an established securities**
27 **market.”.**

28 **(c) Effective Date.—**

29 **(1) IN GENERAL.—**Except as otherwise provided in this subsection, the amendments
30 **made by this section shall take effect as if included in section 14501 of Public Law**
31 **115–97.**

32 **(2) REPORTING.—**The amendment made by subsection (b) shall apply to reports
33 **made after the date of the enactment of this Act.**

34 **SEC. 138508. EXTENSION OF PERIOD OF LIMITATION** 35 **FOR CERTAIN LEGALLY MARRIED COUPLES.**

36 **(a) In General.—**In the case of an individual first treated as married for purposes of the
37 **Internal Revenue Code of 1986 by the application of the holdings of Revenue Ruling**
38 **2013–17—**

39 **(1) if such individual filed a return (other than a joint return) for a taxable year**

1 ending before September 16, 2013, for which a joint return could have been made by
2 the individual and the individual's spouse but for the fact that such holdings were not
3 effective at the time of filing, such return shall be treated as a separate return within
4 the meaning of section 6013(b) of such Code and the time prescribed by section
5 6013(b)(2)(A) of such Code for filing a joint return after filing a separate return shall
6 not expire before the date prescribed by law (including extensions) for filing the return
7 of tax for the taxable year that includes the date of the enactment of this Act, and

8 (2) in the case of a joint return filed pursuant to paragraph (1)—

9 (A) the period of limitation prescribed by section 6511(a) of such Code for any
10 such taxable year shall be extended until the date prescribed by law (including
11 extensions) for filing the return of tax for the taxable year that includes the date
12 of the enactment of this Act, and

13 (B) section 6511(b)(2) of such Code shall not apply to any claim of credit or
14 refund with respect to such return.

15 (b) Amendments, etc. Restricted to Change in Marital Status.—Subsection (a) shall
16 apply only with respect to amendments to the return of tax, and claims for credit or refund,
17 relating to a change in the marital status for purposes of the Internal Revenue Code of 1986
18 of the individual.

19 **SEC. 138514. ALLOWANCE OF DEDUCTION FOR** 20 **CERTAIN EXPENSES OF THE TRADE OR BUSINESS** 21 **OF BEING AN EMPLOYEE.**

22 (a) Above-the-Line Deduction for Union Dues.—Section 62(a)(2) is amended by adding
23 at the end the following new subparagraph:

24 “(F) UNION DUES.—In the case of any taxable year beginning after December 31,
25 2021, and before January 1, 2026, the deductions allowed by section 162 which are
26 both—

27 “(A) not in excess of \$250, and

28 “(B) attributable to a trade or business consisting of the performance of
29 services by the taxpayer as an employee if such deductions are for dues paid to a
30 labor organization described in section 501(c)(5) and with respect to which such
31 taxpayer remained a member through the end of the taxable year.”.

32 (b) Effective Date.—The amendments made by this section shall apply to taxable years
33 beginning after December 31, 2021.

34 **SEC. 138515. TEMPORARY INCREASE IN** 35 **EMPLOYER-PROVIDED CHILD CARE CREDIT.**

36 (a) In General.—Section 45F is amended by adding at the end the following new
37 subsection:

38 “(g) Temporary Increase.—In the case of any taxable year beginning after December 31,

1 2021, and before January 1, 2026—

2 “(1) INCREASE IN PERCENTAGE OF CREDIT FOR QUALIFIED CHILD CARE
3 EXPENDITURES.—Subsection (a)(1) shall be applied by substituting ‘50 percent’ for ‘25
4 percent’.

5 “(2) INCREASE IN DOLLAR LIMITATION.—Subsection (b) shall be applied by
6 substituting ‘\$500,000’ for ‘\$150,000’.

7 “(3) PRESERVATION OF DOLLAR LIMITATION ON QUALIFIED CHILD CARE RESOURCE
8 AND REFERRAL EXPENDITURES.—The aggregate amount of qualified child care resource
9 and referral expenditures which may be taken into account under subsection (a)(2) for
10 any taxable year shall not exceed \$1,500,000.”.

11 (b) Effective Date.—The amendment made by this section shall apply to taxable years
12 beginning after December 31, 2021.

13 **SEC. 138516. PAYROLL CREDIT FOR COMPENSATION** 14 **OF LOCAL NEWS JOURNALISTS.**

15 (a) In General.—Subchapter D of chapter 21 is amended by adding at the end the
16 following new section:

17 **“SEC. 3135. LOCAL NEWS JOURNALIST** 18 **COMPENSATION CREDIT.**

19 “(a) In General.—In the case of an eligible local news journalist employer, there shall be
20 allowed as a credit against the taxes imposed by section 3111(b) for each calendar quarter
21 an amount equal to the applicable percentage of wages paid by such employer to local news
22 journalists for such calendar quarter.

23 “(b) Limitations and Refundability.—

24 “(1) NUMBER OF LOCAL NEWS JOURNALISTS TAKEN INTO ACCOUNT.—The number of
25 local news journalists which may be taken into account under subsection (a) with
26 respect to any eligible local news journalist employer for any calendar quarter shall
27 not exceed 1,500.

28 “(2) WAGES TAKEN INTO ACCOUNT.—The amount of wages paid with respect to any
29 individual which may be taken into account under subsection (a) during any calendar
30 quarter by the eligible local news journalist employer shall not exceed \$12,500.

31 “(3) CREDIT LIMITED TO EMPLOYMENT TAXES.—The credit allowed by subsection (a)
32 with respect to any calendar quarter shall not exceed the taxes imposed by section
33 3111(b) on the wages paid with respect to the employment of all the employees of the
34 eligible local news journalist employer for such calendar quarter.

35 “(4) REFUNDABILITY OF EXCESS CREDIT.—If the amount of the credit under
36 subsection (a) exceeds the limitation of paragraph (3) for any calendar quarter, such
37 excess shall be treated as an overpayment that shall be refunded under sections
38 6402(a) and 6413(b).

1 **“(c) Eligible Local News Journalist Employer.—For purposes of this section—**

2 **“(1) IN GENERAL.—The term ‘eligible local news journalist employer’ means, with**
3 **respect to any calendar quarter, any employer which—**

4 **“(A) is—**

5 **“(i) an eligible local news organization, or**

6 **“(ii) a qualifying broadcast station, and**

7 **“(B) employs local news journalists.**

8 **“(2) ELIGIBLE LOCAL NEWS ORGANIZATION.—The term ‘eligible local news**
9 **organization’ means, with respect to any calendar quarter, any employer—**

10 **“(A) which publishes one or more qualifying publications during the calendar**
11 **quarter,**

12 **“(B) which is not a disqualified organization, and**

13 **“(C) which did not derive more than 50 percent of its gross receipts for such**
14 **calendar quarter from disqualified organizations.**

15 **“(3) QUALIFYING BROADCAST STATION.—The term ‘qualifying broadcast station’**
16 **means, with respect to any calendar quarter, any employer—**

17 **“(A) which owns or operates a broadcast station (as defined in section 3 of the**
18 **Communications Act of 1934),**

19 **“(B) which is not a disqualified organization,**

20 **“(C) which did not derive more than 50 percent of its gross receipts for such**
21 **calendar quarter from disqualified organizations, and**

22 **“(D) which discloses its ownership to the public at such times and in such**
23 **manner as identified by the Secretary.**

24 **“(d) Other Definitions.—For purposes of this section—**

25 **“(1) APPLICABLE PERCENTAGE.—The term ‘applicable percentage’ means—**

26 **“(A) in the case of each of the first 4 calendar quarters to which this section**
27 **applies, 50 percent, and**

28 **“(B) in the case of each calendar quarter thereafter, 30 percent.**

29 **“(2) LOCAL NEWS JOURNALIST.—**

30 **“(A) IN GENERAL.—The term ‘local news journalist’ means, with respect to any**
31 **eligible local news journalist employer for any calendar quarter, any full-time**
32 **employee (as defined in section 4980H(c)(4)) who—**

33 **“(i) provides qualified services for an average of not less than 30 hours per**
34 **week for each week during which such employee is employed by the eligible**
35 **local news journalist employer during the calendar quarter, and**

36 **“(ii) resides within 50 miles of the local community with respect to the**
37 **qualifying publication or qualifying broadcast station with respect to which**

1 the qualified services are provided.

2 “(B) QUALIFIED SERVICES.—For purposes of subparagraph (A)(ii), the term
3 ‘qualified services’ means services—

4 “(i) which consist of gathering, preparing, directing the recording of,
5 producing, collecting, photographing, recording, writing, editing, reporting,
6 presenting, or publishing original local community news for dissemination to
7 the local community, and

8 “(ii) which are provided with respect to—

9 “(I) a qualifying publication of an eligible local news organization, or

10 “(II) the local community of a qualifying broadcast station.

11 “(3) QUALIFYING PUBLICATION.—The term ‘qualifying publication’ means, with
12 respect to any calendar quarter, any print or digital publication—

13 “(A) the primary purpose of which is to serve a local community by providing
14 local news,

15 “(B) which—

16 “(i) is published during the calendar quarter, and

17 “(ii) has been published during each of the 4 calendar quarters preceding
18 such calendar quarter,

19 “(C) which is covered by media liability insurance for such calendar quarter,

20 “(D) which discloses its ownership to the public at such times and in such
21 manner as identified by the Secretary, and

22 “(E) which receives services from not more than 1,500 persons during such
23 calendar quarter.

24 “(4) LOCAL COMMUNITY.—The term ‘local community’ means, with respect to any
25 qualifying broadcast station or qualifying publication, a geographically contiguous
26 area that does not exceed the boundaries of—

27 “(A) in the case of a qualifying broadcast station, the area for which the
28 qualifying broadcast station is licensed to serve by the Federal Communications
29 Commission under section 307 of the Communications Act of 1934, and

30 “(B) in the case of a qualifying publication—

31 “(i) the metropolitan or micropolitan statistical area, as defined by the
32 Office of Management and Budget, in which the qualifying publication is
33 primarily distributed,

34 “(ii) if such qualifying publication is not primarily distributed in a
35 metropolitan or micropolitan statistical area, political subdivision of the
36 State in which such qualifying publication is primarily distributed, or

37 “(iii) if such qualifying publication is not primarily distributed in a
38 metropolitan or micropolitan statistical area or a political subdivision of a

1 State, the State in which such qualifying publication is primarily distributed.
2 For purposes of subparagraph (B), in the case of a qualifying publication which is a
3 digital publication, such qualifying publication shall be considered to be primarily
4 distributed in the area where such publication is primarily consumed.

5 “(5) DISQUALIFIED ORGANIZATION.—The term ‘disqualified organization’ means—

6 “(A) any organization described in section 501(c)(4) and exempt from tax under
7 section 501(a),

8 “(B) any organization described in section 527, and

9 “(C) any organization that is owned or controlled (directly or indirectly) by one
10 or more organizations described in subparagraph (A) or (B).

11 “(6) GROSS RECEIPTS.—

12 “(A) IN GENERAL.—Except as provided in subparagraph (B), the term ‘gross
13 receipts’ has the meaning given such term as used in section 448(c).

14 “(B) TAX-EXEMPT ORGANIZATIONS.—In the case of an organization which is
15 described in section 501(c) and exempt from tax under section 501(a), any
16 reference in this section to gross receipts shall be treated as a reference to gross
17 receipts within the meaning of section 6033.

18 “(7) OTHER TERMS.—Any term used in this section which is also used in this chapter
19 shall have the same meaning as when used in such chapter.

20 “(e) Aggregation Rule.—All persons treated as a single employer under subsection (a) or
21 (b) of section 52, or subsection (m) or (o) of section 414, shall be treated as one employer for
22 purposes of this section.

23 “(f) Certain Rules to Apply.—

24 “(1) IN GENERAL.—For purposes of this section—

25 “(A) except as provided in paragraph (2), rules similar to the rules of section
26 51(i)(1) shall apply, and

27 “(B) rules similar to the rules of section 280C(a) shall apply.

28 “(2) EXCEPTION.—Paragraph (1)(A) shall not apply with respect to any local news
29 journalist of an eligible local news journalist employer which employs fewer than 15
30 local news journalists during the calendar quarter.

31 “(g) Certain Governmental Employers.—

32 “(1) IN GENERAL.—This credit shall not apply to the Government of the United
33 States, the government of any State or political subdivision thereof, or any agency or
34 instrumentality of any of the foregoing.

35 “(2) EXCEPTION.—Paragraph (1) shall not apply to any public broadcasting entity
36 (as defined in section 397(11) of the Communications Act of 1934 (47 U.S.C. 397(11))).

37 “(h) Election To Have Section Not Apply.—This section shall not apply with respect to
38 any eligible local news journalist employer for any calendar quarter if such employer elects

1 (at such time and in such manner as the Secretary may prescribe) not to have this section
2 apply.

3 “(i) Special Rules.—

4 “(1) EMPLOYEE NOT TAKEN INTO ACCOUNT MORE THAN ONCE.—An employee shall
5 not be included for purposes of this section for any period with respect to any
6 employer if such employer is allowed a credit under section 51 with respect to such
7 employee for such period.

8 “(2) DENIAL OF DOUBLE BENEFIT.—Any wages taken into account in determining the
9 credit allowed under this section shall not be taken into account for purposes of
10 determining the credit allowed under section 41, 45A, 45P, 45S, or 1396.

11 “(3) THIRD-PARTY PAYORS.—Any credit allowed under this section shall be treated
12 as a credit described in section 3511(d)(2) of such Code.

13 “(j) Treatment of Deposits.—The Secretary shall waive any penalty under section 6656
14 for any failure to make a deposit of any taxes imposed under section 3111(b) if the
15 Secretary determines that such failure was due to the reasonable anticipation of the credit
16 allowed under this section.

17 “(k) Extension of Limitation on Assessment.—Notwithstanding section 6501, the
18 limitation on the time period for the assessment of any amount attributable to a credit
19 claimed under this section shall not expire before the date that is 5 years after the later of—

20 “(1) the date on which the original return which includes the calendar quarter with
21 respect to which such credit is determined is filed, or

22 “(2) the date on which such return is treated as filed under section 6501(b)(2).

23 “(l) Regulations and Guidance.—The Secretary shall issue such forms, instructions,
24 regulations, and guidance as are necessary—

25 “(1) with respect to the application of the credit under subsection (a) to third-party
26 payors (including professional employer organizations, certified professional employer
27 organizations, or agents under section 3504), including regulations or guidance
28 allowing such payors to submit documentation necessary to substantiate the eligible
29 employer status of employers that use such payors, and

30 “(2) to prevent the avoidance of the purposes of the limitations under this section.

31 Any forms, instructions, regulations, or other guidance described in paragraph (1) shall
32 require the customer to be responsible for the accounting of the credit and for any liability
33 for improperly claimed credits and shall require the certified professional employer
34 organization or other third-party payor to accurately report such tax credits based on the
35 information provided by the customer.

36 “(m) Application.—This section shall only apply to wages paid in calendar quarters
37 beginning after the date of the enactment of this section and beginning before the date that
38 is 5 years after the first day of the first calendar quarter to which this section applies.”.

39 (b) Refunds.—Paragraph (2) of section 1324(b) of title 31, United States Code, is
40 amended by inserting “3135,” after “3134,”.

1 (c) Clerical Amendment.—The table of sections for subchapter D of chapter 21 is
2 amended by adding at the end the following:

3 “Sec.3135.Local news journalist compensation credit.”.

4 (d) Effective Date.—The amendments made by this section shall apply to calendar
5 quarters beginning after the date of the enactment of this Act.

6 **SEC. 138517. ABOVE-THE-LINE DEDUCTION FOR** 7 **EMPLOYEE UNIFORMS.**

8 ** 6 (a) In General.—Section ~~36B(d)(2)~~ 62(a)(2), as amended by the preceding provisions
9 provision of this Act, is further amended by adding at the end the following new subparagraph:

10 “(G) WORK CLOTHES AND UNIFORMS.—In the case of any taxable year
11 beginning after December 31, 2021, and before January 1, 2025, the deductions
12 allowed by section 162, not in excess of \$250, which are attributable to a trade or
13 business consisting of the performance of services by the taxpayer as an employee
14 if such deductions are for uniforms or work clothing which are—

15 “(i) required to be worn as a condition of employment, and

16 “(ii) not suitable for everyday wear.”.

17 (b) Effective Date.—The amendment made by this section shall apply to taxable years
18 beginning after December 31, 2021.

19 **SEC. 138518. EXPENSES IN CONTINGENCY FEE** 20 **CASES.**

21 (a) In General.—Section 162 is amended by redesignating subsection (s) as subsection (t)
22 and by inserting after subsection (r) the following new subsection:

23 “(s) Expenses in Contingency Fee Cases.—In the case of any amount paid or incurred in
24 the ordinary course of the trade or business of practicing law the repayment of which is
25 contingent on a recovery by judgment or settlement in the action to which such amount
26 relates—

27 “(1) the deduction under subsection (a) shall be determined by disregarding the
28 possibility that such amount will be repaid, and

29 “(2) income attributable to any related recovery shall not be reduced by such
30 amount.”.

31 (b) Effective Date.—The amendments made by this section shall apply to amounts paid,
32 incurred, or received in taxable years beginning after the date of the enactment of this Act.

33 **SEC. 138519. INCREASE IN RESEARCH CREDIT** 34 **AGAINST PAYROLL TAX FOR SMALL BUSINESSES.**

35 (a) In General.—Clause (i) of section 41(h)(4)(B) is amended—

36 (1) by striking “AMOUNT.—The amount” and inserting “AMOUNT.—

1 **“(I) IN GENERAL.—The amount”, and**

2 **(2) by adding at the end the following new subclause:**

3 **“(II) INCREASE.—In the case of taxable years beginning after**
4 **December 31, 2021, the amount in subclause (I) shall be increased by**
5 **\$250,000.”.**

6 **(b) Allowance of Credit.—**

7 **(1) IN GENERAL.—Paragraph (1) of section 3111(f) is amended—**

8 **(A) by striking “for a taxable year, there shall be allowed” and inserting “for a**
9 **taxable year—**

10 **“(A) there shall be allowed”,**

11 **(B) by striking “equal to the” and inserting “equal to so much of the”,**

12 **(C) by striking the period at the end and inserting “as does not exceed the**
13 **limitation of subclause (I) of section 41(h)(4)(B)(i) (applied without regard to**
14 **subclause (II) thereof), and”, and**

15 **(D) by adding at the end the following new subparagraph:**

16 **“(B) there shall be allowed as a credit against the tax imposed by subsection (b)**
17 **for the first calendar quarter which begins after the date on which the taxpayer**
18 **files the return specified in section 41(h)(4)(A)(ii) an amount equal to so much of**
19 **the payroll tax credit portion determined under section 41(h)(2) as is not allowed**
20 **as a credit under subparagraph (A).”.**

21 **(2) LIMITATION.—Paragraph (2) of section 3111(f) is amended—**

22 **(A) by striking “paragraph (1)” and inserting “paragraph (1)(A)”, and**

23 **(B) by inserting “, and the credit allowed by paragraph (1)(B) shall not exceed**
24 **the tax imposed by subsection (b) for any calendar quarter,” after “calendar**
25 **quarter”.**

26 **(3) CARRYOVER.—Paragraph (3) of section 3111(f) is amended by striking “the**
27 **credit” and inserting “any credit”.**

28 **(4) DEDUCTION ALLOWED.—Paragraph (4) of section 3111(f) is amended—**

29 **(A) by striking “credit” and inserting “credits”, and**

30 **(B) by striking “subsection (a)” and inserting “subsection (a) or (b)”.**

31 **(c) Aggregation Rules.—Clause (ii) of section 41(h)(5)(B) is amended by striking “the**
32 **\$250,000 amount” and inserting “each of the \$250,000 amounts”.**

33 **(d) Effective Date.—The amendments made by this section shall apply to taxable years**
34 **beginning after December 31, 2021.**

35 **SEC. 138520. IMPOSITION OF TAX ON NICOTINE.**

36 **(a) In General.—Section 5701 is amended by redesignating subsection (h) as subsection**
37 **(i) and by inserting after subsection (g) the following new subsection:**

1 “(h) Nicotine.—On taxable nicotine, manufactured in or imported into the United States,
2 there shall be imposed a tax equal to the dollar amount specified in section 5701(b)(1) (or, if
3 greater, \$50.33) per 1,810 milligrams of nicotine (and a proportionate tax at the like rate on
4 any fractional part thereof).”.

5 (b) Taxable Nicotine.—Section 5702 is amended by adding at the end the following new
6 subsection:

7 “(q) Taxable Nicotine.—

8 “(1) IN GENERAL.—Except as otherwise provided in this subsection, the term
9 ‘taxable nicotine’ means any nicotine which has been extracted, concentrated, or
10 synthesized.

11 “(2) EXCEPTION FOR PRODUCTS APPROVED BY FOOD AND DRUG
12 ADMINISTRATION.—Such term shall not include any nicotine if the manufacturer or
13 importer thereof demonstrates to the satisfaction of the Secretary of Health and
14 Human Services that such nicotine will be used in—

15 “(A) a drug—

16 “(i) that is approved under section 505 of the Federal Food, Drug, and
17 Cosmetic Act or licensed under section 351 of the Public Health Service Act;
18 or

19 “(ii) for which an investigational use exemption has been authorized under
20 section 505(i) of the Federal Food, Drug, and Cosmetic Act or under section
21 351(a) of the Public Health Service Act; or

22 “(B) a combination product (as described in section 503(g) of the Federal Food,
23 Drug, and Cosmetic Act), the constituent parts of which were approved or cleared
24 under section 505, 510(k), or 515 of such Act.

25 “(3) COORDINATION WITH TAXATION OF OTHER TOBACCO PRODUCTS.—Tobacco
26 products meeting the definition of cigars, cigarettes, smokeless tobacco, pipe tobacco,
27 and roll-your-own tobacco in this section shall be classified and taxed as such despite
28 any concentration of the nicotine inherent in those products or any addition of nicotine
29 to those products during the manufacturing process.

30 “(4) REGULATIONS.—The Secretary shall prescribe such regulations or other
31 guidance as is necessary or appropriate to carry out the purposes of this subsection,
32 including regulations or other guidance for coordinating the taxation of tobacco
33 products and taxable nicotine to protect revenue and prevent double taxation.”.

34 (c) Taxable Nicotine Treated as a Tobacco Product.—Section 5702(c) is amended by
35 striking “and roll-your-own tobacco” and inserting “roll-your-own tobacco, and taxable
36 nicotine”.

37 (d) Manufacturer of Taxable Nicotine.—Section 5702, as amended by subsection (b), is
38 amended by adding at the end the following new subsection:

39 “(r) Manufacturer of Taxable Nicotine.—

40 “(1) IN GENERAL.—Any person who extracts, concentrates, or synthesizes nicotine

1 shall be treated as a manufacturer of taxable nicotine (and as manufacturing such
2 taxable nicotine).

3 “(2) APPLICATION OF RULES RELATED TO MANUFACTURERS OF TOBACCO
4 PRODUCTS.—Any reference to a manufacturer of tobacco products, or to
5 manufacturing tobacco products, shall be treated as including a reference to a
6 manufacturer of taxable nicotine, or to manufacturing taxable nicotine, respectively.”

7 (e) Effective Date.—

8 (1) IN GENERAL.—The amendments made by this section shall apply to articles
9 removed in calendar quarters beginning after the date which is 180 days after the date
10 of the enactment of this Act.

11 (2) TRANSITION RULE FOR PERMIT AND BOND REQUIREMENTS.—A person which is
12 lawfully engaged in business as a manufacturer or importer of taxable nicotine (within
13 the meaning of subchapter A of chapter 52 of the Internal Revenue Code of 1986, as
14 amended by this section) on the date of the enactment of this Act, first becomes subject
15 to the requirements of subchapter B of chapter 52 of such Code by reason of the
16 amendments made by this section, and submits an application under such subchapter
17 B to engage in such business not later than 90 days after the date of the enactment of
18 this Act, shall not be denied the right to carry on such business by reason of such
19 requirements before final action on such application.

20 **SEC. 138521. TERMINATION OF EMPLOYER CREDIT** 21 **FOR PAID FAMILY AND MEDICAL LEAVE.**

22 Section 45S(i) is amended by striking “December 31, 2025” and inserting “December 31,
23 2023”.

24 **Subtitle I—Drug Pricing**

25 **PART 1—LOWERING PRICES THROUGH DRUG** 26 **PRICE NEGOTIATION**

27 **SEC. 139001. PROVIDING FOR LOWER PRICES FOR** 28 **CERTAIN HIGH-PRICED SINGLE SOURCE DRUGS.**

29 (a) Program To Lower Prices for Certain High-Priced Single Source Drugs.—Title XI of
30 the Social Security Act is amended by adding after section 1184 (42 U.S.C. 1320e–3) the
31 following new part:

32 **“PART E—PRICE NEGOTIATION PROGRAM TO** 33 **LOWER PRICES FOR CERTAIN HIGH-PRICED** 34 **SINGLE SOURCE DRUGS**

35 **“SEC. 1191. ESTABLISHMENT OF PROGRAM.**

1 “(a) In General.—The Secretary shall establish a Drug Price Negotiation Program (in
2 this part referred to as the ‘program’). Under the program, with respect to each price
3 applicability period, the Secretary shall—

4 “(1) publish a list of negotiation-eligible drugs and selected drugs in accordance
5 with section 1192;

6 “(2) enter into agreements with manufacturers of selected drugs with respect to such
7 period, in accordance with section 1193;

8 “(3) negotiate and, if applicable, renegotiate maximum fair prices for such selected
9 drugs, in accordance with section 1194; and

10 “(4) carry out the administrative duties described in section 1196.

11 “(b) Definitions Relating to Timing.—For purposes of this part:

12 “(1) INITIAL PRICE APPLICABILITY YEAR.—The term ‘initial price applicability year’
13 means a year (beginning with 2025).

14 “(2) PRICE APPLICABILITY PERIOD.—The term ‘price applicability period’ means,
15 with respect to a qualifying single source drug, the period beginning with the first
16 initial price applicability year with respect to which such drug is a selected drug and
17 ending with the last year during which the drug is a selected drug.

18 “(3) SELECTED DRUG PUBLICATION DATE.—The term ‘selected drug publication date’
19 means, with respect to each initial price applicability year, February 1 of the year that
20 begins 2 years prior to such year.

21 “(4) NEGOTIATION PERIOD.—The term ‘negotiation period’ means, with respect to
22 an initial price applicability year with respect to a selected drug, the period—

23 “(A) beginning on the sooner of—

24 “(i) the date on which the manufacturer of the drug and the Secretary
25 enter into an agreement under section 1193 with respect to such drug; or

26 “(ii) February 28 following the selected drug publication date with respect
27 to such selected drug; and

28 “(B) ending on November 1 of the year that begins 2 years prior to the initial
29 price applicability year.

30 “(c) Other Definitions.—For purposes of this part:

31 “(1) MAXIMUM FAIR PRICE ELIGIBLE INDIVIDUAL.—The term ‘maximum fair price
32 eligible individual’ means, with respect to a selected drug—

33 “(A) in the case such drug is dispensed to the individual at a pharmacy, by a
34 mail order service, or by another dispenser, an individual who is enrolled under a
35 prescription drug plan under part D of title XVIII or an MA–PD plan under part
36 C of such title if coverage is provided under such plan for such selected drug; and

37 “(B) in the case such drug is furnished or administered to the individual by a
38 hospital, physician, or other provider of services or supplier, an individual who is
39 enrolled under part B of title XVIII, including an individual who is enrolled

1 under an MA plan under part C of such title, if such selected drug is covered
2 under such part.

3 “(2) **MAXIMUM FAIR PRICE.**—The term ‘maximum fair price’ means, with respect to
4 a year during a price applicability period and with respect to a selected drug (as
5 defined in section 1192(c)) with respect to such period, the price published pursuant to
6 section 1195 in the Federal Register for such drug and year.

7 “(3) **UNIT.**—The term ‘unit’ means, with respect to a drug or biological, the lowest
8 identifiable amount (such as a capsule or tablet, milligram of molecules, or grams) of
9 the drug or biological that is dispensed or furnished. The determination of a unit, with
10 respect to a drug or biological, pursuant to this paragraph shall not be subject to
11 administrative or judicial review.

12 “(4) **TOTAL EXPENDITURES.**—The term ‘total expenditures’ includes, in the case of
13 expenditures with respect to part D of title XVIII, ingredient costs, dispensing fees,
14 sales tax, and if applicable, vaccine administration fees. The term ‘total expenditures’
15 excludes, in the case of expenditures with respect to part B of such title, expenditures
16 for a drug or biological that are bundled or packaged into the payment for another
17 service.

18 **“SEC. 1192. SELECTION OF NEGOTIATION-ELIGIBLE** 19 **DRUGS AS SELECTED DRUGS.**

20 “(a) **In General.**—Not later than the selected drug publication date with respect to an
21 initial price applicability year, in accordance with subsection (b), the Secretary shall select
22 and publish in the Federal Register a list of—

23 “(1)(A) with respect to the initial price applicability year 2025, not more than 10
24 negotiation-eligible drugs described in subparagraph (A)(i) of subsection (d)(1), but
25 not subparagraph (B) of such subsection, with respect to such year;

26 “(B) with respect to the initial price applicability year 2026, not more than 15
27 negotiation-eligible drugs described in subparagraph (A)(i) of subsection (d)(1), but
28 not subparagraph (B) of such subsection, with respect to such year;

29 “(C) with respect to the initial price applicability year 2027, not more than 15
30 negotiation-eligible drugs described in subparagraph (A) of subsection (d)(1), but not
31 subparagraph (B) of such subsection, with respect to such year; and

32 “(D) with respect to the initial price applicability year 2028 or a subsequent year,
33 not more than 20 negotiation-eligible drugs described in subparagraph (A) of
34 subsection (d)(1), but not subparagraph (B) of such subsection, with respect to such
35 year; and

36 “(2) all negotiation-eligible drugs described in subparagraph (B) of such subsection
37 with respect to such year.

38 Subject to subsection (c)(2) and section 1194(f)(5), each drug published on the list pursuant
39 to the previous sentence shall be subject to the negotiation process under section 1194 for
40 the negotiation period with respect to such initial price applicability year (and the
41 renegotiation process under such section as applicable for any subsequent year during the

1 applicable price applicability period).

2 “(b) Selection of Drugs.—

3 “(1) IN GENERAL.—In carrying out subsection (a)(1), subject to paragraph (2), the
4 Secretary shall, with respect to an initial price applicability year—

5 “(A) rank a combined list of negotiation-eligible drugs described in subsection
6 (d)(1)(A) according to the total expenditures for such drugs under parts B and D
7 of title XVIII, as determined by the Secretary, during the most recent period of 12
8 months prior to the selected drug publication date (but ending not later than
9 October 31 of the year prior to the year of such drug publication date), with
10 respect to such year, for which data are available, with the negotiation-eligible
11 drugs with the highest total expenditures being ranked the highest; and

12 “(B) select from such ranked combined list for inclusion on the published list
13 described in subsection (a) with respect to such year the negotiation-eligible drugs
14 with the highest such rankings.

15 “(2) HIGH SPEND PART D DRUGS FOR 2025 AND 2026.—With respect to the initial price
16 applicability year 2025 and with respect to the initial price applicability year 2026, the
17 Secretary shall apply paragraph (1) as if the reference to ‘negotiation-eligible drugs
18 described in subsection (d)(1)(A)’ were a reference to ‘negotiation-eligible drugs
19 described in subsection (d)(1)(A)(i)’ and as if the reference to ‘total expenditures for
20 such drugs under parts B and D of title XVIII’ were a reference to ‘total expenditures
21 for such drugs under part D of title XVIII’.

22 “(c) Selected Drug.—

23 “(1) IN GENERAL.—For purposes of this part, consistent with subsection (e)(2) and
24 subject to paragraph (2), each negotiation-eligible drug included on the list published
25 under subsection (a) with respect to an initial price applicability year shall be referred
26 to as a ‘selected drug’ with respect to such year and each subsequent year beginning
27 before the first year that begins after the date on which the Secretary determines at
28 least one drug or biological product—

29 “(A) is approved or licensed (as applicable)—

30 “(i) under section 505(j) of the Federal Food, Drug, and Cosmetic Act
31 using such drug as the listed drug; or

32 “(ii) under section 351(k) of the Public Health Service Act using such drug
33 as the reference product; and

34 “(B) is marketed pursuant to such approval or licensure.

35 “(2) CLARIFICATION.—A negotiation-eligible drug—

36 “(A) that is included on the list published under subsection (a) with respect to
37 an initial price applicability year; and

38 “(B) for which the Secretary makes a determination described in paragraph (1)
39 before or during the negotiation period with respect to such initial price
40 applicability year,

1 shall not be subject to the negotiation process under section 1194 with respect to such
2 negotiation period and shall continue to be considered a selected drug under this part
3 with respect to the number of negotiation-eligible drugs published on the list under
4 subsection (a) with respect to such initial price applicability year.

5 **“(d) Negotiation-Eligible Drug.—**

6 **“(1) IN GENERAL.—**For purposes of this part, subject to paragraph (2), the term
7 ‘negotiation-eligible drug’ means, with respect to the selected drug publication date
8 with respect to an initial price applicability year, a qualifying single source drug, as
9 defined in subsection (e), that is described in either of the following subparagraphs (or,
10 with respect to the initial price applicability year 2025 or 2026, that is described in
11 subparagraph (A)(i) or (B)):

12 **“(A) HIGH SPEND DRUGS.—**The qualifying single source drug is, determined in
13 accordance with subsection (e)(2)—

14 **“(i) among the 50 qualifying single source drugs with the highest total**
15 **expenditures under part D of title XVIII, as determined by the Secretary in**
16 **accordance with paragraph (3), during the most recent period for which data**
17 **are available of at least 12 months prior to the selected drug publication date**
18 **(but ending no later than October 31 of the year prior to the year of such**
19 **drug publication date), with respect to such year; or**

20 **“(ii) among the 50 qualifying single source drugs with the highest total**
21 **expenditures under part B of title XVIII, as determined by the Secretary in**
22 **accordance with paragraph (3), during such most recent period, as described**
23 **in clause (i).**

24 **“(B) INSULIN.—**The qualifying single source drug is described in subsection
25 **(e)(1)(C).**

26 **“(2) EXCEPTION FOR SMALL BIOTECH DRUGS.—**

27 **“(A) IN GENERAL.—**Subject to subparagraph (C), the term ‘negotiation-eligible
28 **drug’ shall not include, with respect to the initial price applicability years 2025,**
29 **2026, and 2027, a qualifying single source drug that meets either of the following:**

30 **“(i) PART D DRUGS.—**The total expenditures for the qualifying single source
31 **drug under part D of title XVIII, as determined by the Secretary in**
32 **accordance with paragraph (3), during 2021—**

33 **“(I) are equal to or less than 1 percent of the total expenditures under**
34 **such part D, as so determined, for all covered part D drugs during such**
35 **year; and**

36 **“(II) are equal to at least 80 percent of the total expenditures under**
37 **such part D, as so determined, for all covered part D drugs for which the**
38 **manufacturer of the drug has an agreement in effect under section**
39 **1860D–14A during such year.**

40 **“(ii) PART B DRUGS.—**The total expenditures for the qualifying single
41 **source drug under part B of title XVIII, as determined by the Secretary in**

1 accordance with paragraph (3), during 2021—

2 “(I) are equal to or less than 1 percent of the total expenditures under
3 such part B, as so determined, for all qualifying single source drugs
4 covered under such part B during such year; and

5 “(II) are equal to at least 80 percent of the total expenditures under
6 such part B, as so determined, for all qualifying single source drugs of
7 the manufacturer that are covered under such part B during such year.

8 “(B) CLARIFICATIONS RELATING TO MANUFACTURERS.—

9 “(i) AGGREGATION RULE.—All persons treated as a single employer under
10 subsection (a) or (b) of section 52 of the Internal Revenue Code of 1986 shall
11 be treated as one manufacturer for purposes of this paragraph.

12 “(ii) LIMITATION.—A qualifying single source drug described in
13 subparagraph (A) shall not include a qualifying single source drug of a
14 manufacturer if such manufacturer is acquired after 2021 by another
15 manufacturer that does not meet the definition of a specified manufacturer
16 under section 1860D–14C(g)(4)(B)(ii), effective at the beginning of the plan
17 year immediately following such acquisition or, in the case of an acquisition
18 before 2024, effective January 1, 2024.

19 “(C) DRUGS NOT INCLUDED AS SMALL BIOTECH DRUGS.—The following shall not
20 be considered a qualifying single source drug described in subparagraph (A):

21 “(i) A vaccine that is licensed under section 351 of the Public Health
22 Service Act and is marketed pursuant to such section.

23 “(ii) A new formulation, such as an extended release formulation, of a
24 qualifying single source drug.

25 “(iii) A qualifying single source drug described in subsection (e)(1)(C).

26 “(3) CLARIFICATIONS AND DETERMINATIONS.—

27 “(A) PREVIOUSLY SELECTED DRUGS AND SMALL BIOTECH DRUGS EXCLUDED.—In
28 applying clauses (i) and (ii) of paragraph (1)(A), the Secretary shall not consider
29 or count—

30 “(i) drugs that are already selected drugs; and

31 “(ii) for initial price applicability years 2025, 2026, and 2027, qualifying
32 single source drugs described in paragraph (2)(A).

33 “(B) USE OF DATA.—In determining whether a qualifying single source drug
34 satisfies any of the criteria described in paragraph (1) or (2), the Secretary shall
35 use data that is aggregated across dosage forms and strengths of the drug,
36 including new formulations of the drug, such as an extended release formulation,
37 and not based on the specific formulation or package size or package type of the
38 drug.

39 “(4) PUBLICATION.—Not later than the selected drug publication date with respect
40 to an initial price applicability year, the Secretary shall publish in the Federal Register

1 a list of negotiation-eligible drugs with respect to such selected drug publication date.

2 **“(e) Qualifying Single Source Drug.—**

3 **“(1) IN GENERAL.—**For purposes of this part, the term ‘qualifying single source
4 **drug’** means, with respect to an initial price applicability year, subject to paragraphs
5 **(2) and (3),** a covered part D drug (as defined in section 1860D–2(e)) that is described
6 **in any of the following** or a drug or biological product covered under part B of title
7 **XVIII** that is described in any of the following:

8 **“(A) DRUG PRODUCTS.—**A drug—

9 **“(i)** that is approved under section 505(c) of the Federal Food, Drug, and
10 **Cosmetic Act** and is marketed pursuant to such approval;

11 **“(ii)** for which, as of the selected drug publication date with respect to such
12 **initial price applicability year,** at least 7 years will have elapsed since the date
13 **of such approval;** and

14 **“(iii)** that is not the listed drug for any drug that is approved and
15 **marketed under section 505(j)** of such Act.

16 **“(B) BIOLOGICAL PRODUCTS.—**A biological product—

17 **“(i)** that is licensed under section 351(a) of the Public Health Service Act
18 **and is marketed under section 351** of such Act;

19 **“(ii)** for which, as of the selected drug publication date with respect to such
20 **initial price applicability year,** at least 10 years will have elapsed since the
21 **date of such licensure;** and

22 **“(iii)** that is not the reference product for any biological product that is
23 **licensed and marketed under section 351(k)** of such Act.

24 **“(C) INSULIN PRODUCT.—**Any insulin product that is approved under section
25 **505** of the Federal Food, Drug, and Cosmetic Act or licensed under section 351 of
26 **the Public Health Service Act** and marketed pursuant to such approval or
27 **licensure,** including any insulin product that has been deemed to be licensed
28 **under section 351** of the Public Health Service Act pursuant to section 7002(e)(4)
29 **of the Biologics Price Competition and Innovation Act of 2009** and is marketed
30 **pursuant to such section,** regardless of whether such insulin product would be
31 **described in subparagraph (A) or (B).**

32 **“(2) TREATMENT OF AUTHORIZED GENERIC DRUGS.—**

33 **“(A) IN GENERAL.—**In the case of a qualifying single source drug described in
34 **subparagraph (A) or (B) of paragraph (1)** that is the listed drug (as such term is
35 **used in section 505(j)** of the Federal Food, Drug, and Cosmetic Act) or the
36 **reference product** (as defined in section 351(i) of the Public Health Service Act),
37 **with respect to an authorized generic drug,** in applying the provisions of this part,
38 **such authorized generic drug and such listed drug or reference product** shall be
39 **treated as the same qualifying single source drug.**

40 **“(B) AUTHORIZED GENERIC DRUG DEFINED.—**For purposes of this paragraph,

1 the term ‘authorized generic drug’ means—

2 “(i) in the case of a drug, an authorized generic drug (as such term is
3 defined in section 505(t)(3) of the Federal Food, Drug, and Cosmetic Act);
4 and

5 “(ii) in the case of a biological product, a reference product (as such term
6 is defined in section 351(i) of the Public Health Service Act) that—

7 “(I) has been licensed under section 351(a) of such Act; and

8 “(II) is marketed, sold, or distributed directly or indirectly to retail
9 class of trade under a different labeling, packaging (other than
10 repackaging as the reference product in blister packs, unit doses, or
11 similar packaging for use in institutions), product code, labeler code,
12 trade name, or trade mark than the reference product.

13 “(3) EXCLUSIONS.—In this part, the term ‘qualifying single source drug’ does not
14 include any of the following:

15 “(A) CERTAIN ORPHAN DRUGS.—A drug that is designated as a drug for only
16 one rare disease or condition under section 526 of the Federal Food, Drug, and
17 Cosmetic Act and for which the only approved indication (or indications) is for
18 such disease or condition.

19 “(B) LOW SPEND MEDICARE DRUGS.—A drug or biological product (other than
20 an insulin product described in paragraph (1)(C)) with respect to which the total
21 expenditures under parts B and D of title XVIII, as determined by the Secretary,
22 during the most recent period for which data are available of at least 12 months
23 prior to the selected drug publication date (but ending no later than October 31 of
24 the year prior to the year of such drug publication date), with respect to such year
25 is less than—

26 “(i) with respect to 2021, \$200,000,000; or

27 “(ii) with respect to a subsequent year, the dollar amount specified in this
28 subparagraph for the previous year increased by the annual percentage
29 increase in the consumer price index (all items; U.S. city average) as of
30 December of such previous year.

31 “(f) No Administrative or Judicial Review of Determinations and Selections.—The
32 determination of negotiation-eligible drugs under subsection (d) and the selection of drugs
33 under this section are not subject to administrative or judicial review.

34 “SEC. 1193. MANUFACTURER AGREEMENTS.

35 “(a) In General.—For purposes of section 1191(a)(2), the Secretary shall enter into
36 agreements with manufacturers of selected drugs with respect to a price applicability
37 period, by not later than February 28 following the selected drug publication date with
38 respect to such selected drug, under which—

39 “(1) during the negotiation period for the initial price applicability year for the
40 selected drug, the Secretary and manufacturer, in accordance with section 1194,

1 negotiate to determine (and, by not later than the last date of such period, agree to) a
2 maximum fair price for such selected drug of the manufacturer in order for the
3 manufacturer to provide access to such price—

4 “(A) to maximum fair price eligible individuals who with respect to such drug
5 are described in subparagraph (A) of section 1191(c)(1) and are dispensed such
6 drug (and to pharmacies, mail order services, and other dispensers, with respect
7 to such maximum fair price eligible individuals who are dispensed such drugs)
8 during, subject to subparagraph (2), the price applicability period; and

9 “(B) to hospitals, physicians, and other providers of services and suppliers with
10 respect to maximum fair price eligible individuals who with respect to such drug
11 are described in subparagraph (B) of such section and are furnished or
12 administered such drug during, subject to subparagraph (2), the price
13 applicability period;

14 “(2) the Secretary and the manufacturer shall, in accordance with section 1194,
15 renegotiate (and, by not later than the last date of such period, agree to) the maximum
16 fair price for such drug, in order for the manufacturer to provide access to such
17 maximum fair price (as so renegotiated)—

18 “(A) to maximum fair price eligible individuals who with respect to such drug
19 are described in subparagraph (A) of section 1191(c)(1) and are dispensed such
20 drug (and to pharmacies, mail order services, and other dispensers, with respect
21 to such maximum fair price eligible individuals who are dispensed such drugs)
22 during any year during the price applicability period (beginning after such
23 renegotiation) with respect to such selected drug; and

24 “(B) to hospitals, physicians, and other providers of services and suppliers with
25 respect to maximum fair price eligible individuals who with respect to such drug
26 are described in subparagraph (B) of such section and are furnished or
27 administered such drug during any year described in subparagraph (A);

28 “(3) access to the maximum fair price (including as renegotiated pursuant to
29 paragraph (2)), with respect to such a selected drug, shall be provided by the
30 manufacturer to—

31 “(A) maximum fair price eligible individuals, who with respect to such drug are
32 described in subparagraph (A) of section 1191(c)(1), at the pharmacy, mail order
33 service, or other dispenser at the point-of-sale of such drug (and shall be provided
34 by the manufacturer to the pharmacy, mail order service, or other dispenser, with
35 respect to such maximum fair price eligible individuals who are dispensed such
36 drugs), as described in paragraph (1)(A) or (2)(A), as applicable; and

37 “(B) hospitals, physicians, and other providers of services and suppliers with
38 respect to maximum fair price eligible individuals who with respect to such drug
39 are described in subparagraph (B) of such section and are furnished or
40 administered such drug, as described in paragraph (1)(B) or (2)(B), as applicable;

41 “(4) the manufacturer, subject to subsection (d), submits to the Secretary, through
42 an online portal established by the Secretary or other form and manner specified by
43 the Secretary, for the negotiation period for the price applicability period (and, if

1 applicable, before any period of renegotiation pursuant to section 1194(f)) with respect
2 to such drug—

3 “(A) information on the non-Federal average manufacturer price for the drug
4 for the applicable year or period; and

5 “(B) all other information that the Secretary requires to carry out the
6 negotiation (or renegotiation process) under this part, including information
7 described in section 1194(e)(1); and

8 “(5) the manufacturer complies with requirements imposed by the Secretary for
9 purposes of administering the program, including with respect to the duties described
10 in section 1196.

11 “(b) Agreement in Effect Until Drug Is No Longer a Selected Drug.—An agreement
12 entered into under this section shall be effective, with respect to a selected drug, until such
13 drug is no longer considered a selected drug under section 1192(c).

14 “(c) Confidentiality of Information.—Information submitted to the Secretary under this
15 part by a manufacturer of a selected drug that is proprietary information of such
16 manufacturer (as determined by the Secretary) shall be used only by the Secretary or
17 disclosed to and used by the Comptroller General of the United States or the Medicare
18 Payment Advisory Commission for purposes of carrying out this part.

19 “(d) Implementation for 2025 and 2026.—Notwithstanding any other provision of this
20 part, the Secretary shall implement this section for 2025 and 2026 by program instruction
21 or otherwise.

22 “SEC. 1194. NEGOTIATION AND RENEGOTIATION 23 PROCESS.

24 “(a) In General.—For purposes of this part, under an agreement under section 1193
25 between the Secretary and a manufacturer of a selected drug, with respect to the period for
26 which such agreement is in effect and in accordance with subsections (b), (c), and (d), the
27 Secretary and the manufacturer—

28 “(1) shall during the negotiation period with respect to such drug, in accordance
29 with this section, negotiate a maximum fair price for such drug for the purpose
30 described in section 1193(a)(1); and

31 “(2) renegotiate, in accordance with the process specified pursuant to subsection (f),
32 such maximum fair price for such drug if such drug is a renegotiation-eligible drug
33 under such subsection.

34 “(b) Negotiation Process Requirements.—

35 “(1) METHODOLOGY AND PROCESS.—The Secretary shall develop and use a
36 consistent methodology and process, in accordance with paragraph (2), for
37 negotiations under subsection (a) that aims to achieve the lowest maximum fair price
38 for each selected drug.

39 “(2) SPECIFIC ELEMENTS OF NEGOTIATION PROCESS.—As part of the negotiation
40 process under this section, with respect to a selected drug and the negotiation period

1 with respect to the initial price applicability year with respect to such drug, the
2 following shall apply:

3 “(A) SUBMISSION OF INFORMATION.—Not later than March 1 of the year of the
4 selected drug publication date, with respect to the selected drug, the
5 manufacturer of the drug shall submit to the Secretary, in accordance with
6 section 1193(a)(4), the information described in such section.

7 “(B) INITIAL OFFER BY SECRETARY.—Not later than the June 1 following the
8 selected drug publication date, the Secretary shall provide the manufacturer of a
9 selected drug with a written initial offer that contains the Secretary’s proposal for
10 the maximum fair price of the drug and a list of the considerations described in
11 section 1194(e) that were used in developing such offer.

12 “(C) RESPONSE TO INITIAL OFFER.—

13 “(i) IN GENERAL.—Not later than 30 days after the date of receipt of an
14 initial offer under subparagraph (B), the manufacturer shall either accept
15 such offer or propose a counteroffer to such offer.

16 “(ii) COUNTEROFFER REQUIREMENTS.—If a manufacturer proposes a
17 counteroffer, such counteroffer—

18 “(I) shall be in writing; and

19 “(II) shall be justified based on the factors described in subsection (e).

20 “(D) RESPONSE TO COUNTEROFFER.—After receiving a counteroffer under
21 subparagraph (C), the Secretary shall respond in writing to such counteroffer.

22 “(E) DEADLINE.—All negotiations shall end prior to the first day of November
23 following the selected drug publication date, with respect to the initial price
24 applicability year.

25 “(F) LIMITATIONS ON OFFER AMOUNT.—In negotiating the maximum fair price
26 of a selected drug, with respect to an initial price applicability year for the
27 selected drug, and, as applicable, in renegotiating the maximum fair price for
28 such drug, with respect to a subsequent year during the price applicability period
29 for such drug, the Secretary shall not offer (or agree to a counteroffer for) a
30 maximum fair price for the selected drug that—

31 “(i) exceeds the ceiling determined under subsection (c) for the selected
32 drug and year; or

33 “(ii) as applicable, is less than the floor determined under subsection (d)
34 for the selected drug and year.

35 “(G) TREATMENT OF DETERMINATION.—The establishment of a maximum fair
36 price under this section is not subject to administrative or judicial review.

37 “(c) Ceiling for Maximum Fair Price.—

38 “(1) IN GENERAL.—The maximum fair price negotiated under this section for a
39 selected drug, with respect to the first year of the price applicability period with
40 respect to such drug, shall not exceed the applicable percent described in paragraph

1 (2), with respect to such drug, of the following:

2 “(A) INITIAL PRICE APPLICABILITY YEAR 2025.—In the case of a selected drug
3 with respect to which such initial price applicability year is 2025, the non-Federal
4 average manufacturer price for such drug for 2020 (or, in the case that there is
5 not a non-Federal average manufacturer price available for such drug for 2020,
6 for the first full year following the market entry for such drug), increased by the
7 percentage increase in the consumer price index for all urban consumers (all
8 items; United States city average) from 2020 (or such first full year following the
9 market entry), as applicable, to the year prior to the selected drug publication
10 date with respect to such initial price applicability year.

11 “(B) INITIAL PRICE APPLICABILITY YEAR 2026 AND SUBSEQUENT YEARS.—In the
12 case of a selected drug with respect to which such initial price applicability year is
13 2026 or a subsequent year, the lower of—

14 “(i) the non-Federal average manufacturer price for such drug for 2020
15 (or, in the case that there is not a non-Federal average manufacturer price
16 available for such drug for 2020, for the first full year following the market
17 entry for such drug), increased by the percentage increase in the consumer
18 price index for all urban consumers (all items; United States city average)
19 from 2020 (or such first full year following the market entry), as applicable,
20 to the year prior to the selected drug publication date with respect to such
21 initial price applicability year; or

22 “(ii) the non-Federal average manufacturer price for such drug for the
23 year prior to the selected drug publication date with respect to such initial
24 price applicability year.

25 “(2) APPLICABLE PERCENT DESCRIBED.—For purposes of paragraph (1), the
26 applicable percent described in this paragraph is the following:

27 “(A) SHORT-MONOPOLY DRUGS.—With respect to a selected drug (other than a
28 post-exclusivity drug and a long-monopoly drug), 75 percent.

29 “(B) POST-EXCLUSIVITY DRUGS.—With respect to a post-exclusivity drug, 65
30 percent.

31 “(C) LONG-MONOPOLY DRUGS.—With respect to a long-monopoly drug, 40
32 percent.

33 “(3) POST-EXCLUSIVITY DRUG DEFINED.—

34 “(A) IN GENERAL.—In this part, subject to subparagraph (B), the term
35 ‘post-exclusivity drug’ means, with respect to an initial price applicability year, a
36 selected drug for which at least 12 years, but fewer than 16 years, have elapsed
37 since the date of approval of such drug under section 505(c) of the Federal Food,
38 Drug, and Cosmetic Act or since the date of licensure of such drug under section
39 351(a) of the Public Health Service Act, as applicable.

40 “(B) EXCLUSIONS.—The term ‘post-exclusivity drug’ shall not include any of
41 the following:

1 “(i) A vaccine that is licensed under section 351 of the Public Health
2 Service Act and marketed pursuant to such section.

3 “(ii) A selected drug that had an agreement under this part with the
4 Secretary prior to the initial price applicability year 2030.

5 “(C) CLARIFICATION.—Nothing in subparagraph (B)(ii) shall limit the
6 transition of a selected drug described in paragraph (2)(A) to a long-monopoly
7 drug if the selected drug meets the definition of a long-monopoly drug.

8 “(4) LONG-MONOPOLY DRUG DEFINED.—

9 “(A) IN GENERAL.—In this part, subject to subparagraph (B), the term
10 ‘long-monopoly drug’ means, with respect to an initial price applicability year, a
11 selected drug for which at least 16 years have elapsed since the date of approval of
12 such drug under section 505(c) of the Federal Food, Drug, and Cosmetic Act or
13 since the date of licensure of such drug under section 351(a) of the Public Health
14 Service Act, as applicable.

15 “(B) EXCLUSION.—The term ‘long-monopoly drug’ shall not include a vaccine
16 that is licensed under section 351 of the Public Health Service Act and marketed
17 pursuant to such section.

18 “(5) NON-FEDERAL AVERAGE MANUFACTURER PRICE.—In this part, the term
19 ‘non-Federal average manufacturer price’ has the meaning given such term in section
20 8126(h)(5) of title 38, United States Code.

21 “(d) Temporary Floor for Small Biotech Drugs.—In the case of a selected drug that is a
22 qualifying single source drug described in section 1192(d)(2) and with respect to which the
23 first initial price applicability year of the price applicability period with respect to such
24 drug is 2028 or 2029, the maximum fair price negotiated under this section for such drug
25 for such initial price applicability year may not be less than 66 percent of the non-Federal
26 average manufacturer price for such drug (as defined and applied in subsection (c)(4)) for
27 2020 (or, in the case that there is not a non-Federal average manufacturer price available
28 for such drug for 2020, for the first full year following the market entry for such drug),
29 increased by the percentage increase in the consumer price index for all urban consumers
30 (all items; United States city average) from 2020 (or such first full year following the
31 market entry), as applicable, to the year prior to the selected drug publication date with
32 respect to the initial price applicability year.

33 “(e) Considerations.—For purposes of negotiating the maximum fair price of a selected
34 drug under this part with the manufacturer of the drug, the Secretary shall consider the
35 following factors (and, with respect to post-exclusivity drugs and long-monopoly drugs,
36 shall not consider factors other than those described in subparagraphs (B) and (C) of
37 paragraph (1)):

38 “(1) MANUFACTURER-SPECIFIC INFORMATION.—The following information, with
39 respect to such selected drug, including as submitted by the manufacturer:

40 “(A) Research and development costs of the manufacturer for the drug and the
41 extent to which the manufacturer has recouped research and development costs.

42 “(B) Market data for the drug, including the distribution of sales across

1 different programs and purchasers and projected future revenues for the drug.

2 “(C) Unit costs of production and distribution of the drug.

3 “(D) Prior Federal financial support for novel therapeutic discovery and
4 development with respect to the drug.

5 “(E) Data on patents and on existing and pending exclusivity for the drug.

6 “(F) National sales data for the drug.

7 “(G) Information on clinical trials for the drug.

8 “(2) INFORMATION ON UNMET MEDICAL NEEDS AND ALTERNATIVE TREATMENTS.—The
9 following information, with respect to such selected drug:

10 “(A) The extent to which the drug represents a therapeutic advance as
11 compared to existing therapeutic alternatives and, to the extent such information
12 is available, the costs of such existing therapeutic alternatives.

13 “(B) Information on approval by the Food and Drug Administration of
14 alternative drug products or biological products.

15 “(C) Information on comparative effectiveness analysis for such products,
16 taking into consideration the effects of such products on specific populations, such
17 as individuals with disabilities, the elderly, the terminally ill, children, and other
18 patient populations.

19 “(D) The extent to which the drug addresses unmet medical needs for a
20 condition for which treatment or diagnosis is not addressed adequately by
21 available therapy.

22 In considering information described in subparagraph (C), the Secretary shall not use
23 evidence or findings from comparative clinical effectiveness research in a manner that
24 treats extending the life of an elderly, disabled, or terminally ill individual as of lower
25 value than extending the life of an individual who is younger, nondisabled, or not
26 terminally ill.

27 “(3) ADDITIONAL INFORMATION.—Information submitted to the Secretary, in
28 accordance with a process specified by the Secretary, by other parties that are affected
29 by the establishment of a maximum fair price for the selected drug.

30 “(f) Renegotiation Process.—

31 “(1) IN GENERAL.—In the case of a renegotiation-eligible drug (as defined in
32 paragraph (2)) that is selected under paragraph (3), the Secretary shall provide for a
33 process of renegotiation (for years (beginning with 2027) during the price applicability
34 period, with respect to such drug) of the maximum fair price for such drug consistent
35 with paragraph (4).

36 “(2) RENEGOTIATION-ELIGIBLE DRUG DEFINED.—In this section, the term
37 ‘renegotiation-eligible drug’ means a selected drug that is any of the following:

38 “(A) ADDITION OF NEW INDICATION.—A selected drug for which a new
39 indication is added to the drug.

1 **“(B) CHANGE OF STATUS TO A POST-EXCLUSIVITY DRUG.—A selected drug that is**
2 **described in section 1192(d)(1)(A) that—**

3 **“(i) is not a post-exclusivity drug or a long-monopoly drug; and**

4 **“(ii) for which there is a change in status to that of a post-exclusivity drug.**

5 **“(C) CHANGE OF STATUS TO A LONG-MONOPOLY DRUG.—A selected drug that is**
6 **described in section 1192(d)(1)(A) that—**

7 **“(i) is not a long-monopoly drug; and**

8 **“(ii) for which there is a change in status to that of a long-monopoly drug.**

9 **“(D) MATERIAL CHANGES.—A selected drug for which the Secretary determines**
10 **there has been a material change of factors described in paragraph (1) or (2) of**
11 **subsection (e).**

12 **“(3) SELECTION OF DRUGS FOR RENEGOTIATION.—Each year the Secretary shall**
13 **select among renegotiation-eligible drugs for renegotiation as follows:**

14 **“(A) ALL POST-EXCLUSIVITY NEGOTIATION-ELIGIBLE DRUGS.—The Secretary**
15 **shall select all renegotiation-eligible drugs described in paragraph (2)(B).**

16 **“(B) ALL LONG-MONOPOLY NEGOTIATION-ELIGIBLE DRUGS.—The Secretary**
17 **shall select all renegotiation-eligible drugs described in paragraph (2)(C).**

18 **“(C) REMAINING DRUGS.—Among the remaining renegotiation-eligible drugs**
19 **described in subparagraphs (A) and (D) of paragraph (2), the Secretary shall**
20 **select renegotiation-eligible drugs for which the Secretary expects renegotiation is**
21 **likely to result in a significant change in the maximum fair price otherwise**
22 **negotiated.**

23 **“(4) RENEGOTIATION PROCESS.—The Secretary shall specify the process for**
24 **renegotiation of maximum fair prices with the manufacturer of a renegotiation-eligible**
25 **drug selected for renegotiation under this subsection. Such process shall, to the extent**
26 **practicable, be consistent with the methodology and process established under**
27 **subsection (b) and in accordance with subsections (c) and (d), and for purposes of**
28 **applying subsections (c) and (d), the reference to the first initial price applicability**
29 **year of the price applicability period with respect to such drug shall be treated as the**
30 **first initial price applicability year of such period for which the maximum fair price**
31 **established pursuant to such renegotiation applies, including for applying subsection**
32 **(c)(2)(B) in the case of renegotiation-eligible drugs described in paragraph (3)(A) of**
33 **this subsection and subsection (c)(2)(C) in the case of renegotiation-eligible drugs**
34 **described in paragraph (3)(B) of this subsection.**

35 **“(5) CLARIFICATION.—A renegotiation-eligible drug for which the Secretary makes**
36 **a determination described in section 1192(c)(1) before or during the period of**
37 **renegotiation shall not be subject to the renegotiation process under this section.**

38 **“(6) NO ADMINISTRATIVE OR JUDICIAL REVIEW.—The determination of**
39 **renegotiation-eligible drugs under paragraph (2) and the selection of**
40 **renegotiation-eligible drugs under paragraph (3) are not subject to administrative or**
41 **judicial review.**

1 “(g) Request for Information.—For purposes of negotiating and, as applicable,
2 renegotiating (including for purposes of determining whether to renegotiate) the maximum
3 fair price of a selected drug under this part with the manufacturer of the drug, with respect
4 to a price applicability period, and other relevant data for purposes of this section—

5 “(1) the Secretary shall, not later than the selected drug publication date with
6 respect to the initial price applicability year of such period, request drug pricing
7 information from the manufacturer of such selected drug, including information
8 described in subsection (e)(1); and

9 “(2) by not later than March 1 following the selected drug publication date, the
10 manufacturer of such selected drug shall submit to the Secretary such requested
11 information in such form and manner as the Secretary requires.

12 The Secretary shall request, from the manufacturer or others, all additional information
13 needed to carry out the negotiation and renegotiation process under this section.

14 “(h) Implementation for 2025 and 2026.—Notwithstanding any other provision of this
15 part, the Secretary shall implement this section for 2025 and 2026 by program instruction
16 or otherwise.

17 **“SEC. 1195. PUBLICATION OF MAXIMUM FAIR** 18 **PRICES.**

19 “(a) In General.—With respect to an initial price applicability year and a selected drug
20 with respect to such year—

21 “(1) not later than November 15 of the year that is 2 years prior to such initial price
22 applicability year, the Secretary shall publish on CMS.gov the maximum fair price for
23 such drug negotiated under this part with the manufacturer of such drug;

24 “(2) not later than November 30 of the year that is 2 years prior to such initial price
25 applicability year, the Secretary shall publish in the Federal Register the maximum
26 fair price for such drug described in paragraph (1); and

27 “(3) not later than March 1 of the year prior to such initial price applicability year,
28 the Secretary shall publish in the Federal Register, subject to section 1193(c) and
29 based on the considerations as described in section 1194(e), the explanation for the
30 maximum fair price for such drug described in paragraphs (1) and (2).

31 “(b) Updates.—

32 “(1) SUBSEQUENT YEAR MAXIMUM FAIR PRICES.—For a selected drug, for each year
33 subsequent to first initial price applicability year of the price applicability period with
34 respect to such drug, with respect to which an agreement for such drug is in effect
35 under section 1193, not later than November 30 of the year that is 2 years prior to such
36 subsequent year, the Secretary shall publish in the Federal Register the maximum fair
37 price applicable to such drug and year, which shall be—

38 “(A) subject to subparagraph (B), the amount equal to the maximum fair price
39 published for such drug for the previous year, increased by the annual percentage
40 increase in the consumer price index for all urban consumers (all items; U.S. city

1 average) as of September of such previous year; or

2 “(B) in the case the maximum fair price for such drug was renegotiated, for the
3 first year for which such price as so renegotiated applies, such renegotiated
4 maximum fair price.

5 “(2) PRICES NEGOTIATED AFTER DEADLINE.—In the case of a selected drug with
6 respect to an initial price applicability year for which the maximum fair price is
7 determined under this part after the date of publication under this section, the
8 Secretary shall publish such maximum fair price in the Federal Register by not later
9 than 30 days after the date such maximum price is so determined.

10 **“SEC. 1196. ADMINISTRATIVE DUTIES;**
11 **COORDINATION PROVISIONS.**

12 “(a) Administrative Duties.—

13 “(1) IN GENERAL.—For purposes of section 1191, the administrative duties described
14 in this section are the following:

15 “(A) The establishment of procedures to ensure that the maximum fair price
16 for a selected drug is applied before—

17 “(i) any coverage or financial assistance under other health benefit plans
18 or programs that provide coverage or financial assistance for the purchase or
19 provision of prescription drug coverage on behalf of maximum fair price
20 eligible individuals; and

21 “(ii) any other discounts.

22 “(B) The establishment of procedures to compute and apply the maximum fair
23 price across different strengths and dosage forms of a selected drug and not based
24 on the specific formulation or package size or package type of the drug.

25 “(C) The establishment of procedures to carry out the provisions of this part, as
26 applicable, with respect to—

27 “(i) maximum fair price eligible individuals who are enrolled under a
28 prescription drug plan under part D of title XVIII or an MA–PD plan under
29 part C of such title; and

30 “(ii) maximum fair price eligible individuals who are enrolled under part
31 B of such title, including who are enrolled under an MA plan under part C of
32 such title.

33 “(D) The establishment of a negotiation process and renegotiation process in
34 accordance with section 1194, including a process for acquiring information
35 described in subsection (e) of such section.

36 “(E) The establishment of an online portal which manufacturers shall be
37 required to use to submit information described in section 1194(b)(2)(A).

38 “(F) The sharing with the Secretary of the Treasury of such information as is
39 necessary to determine the tax imposed by section 4192 of the Internal Revenue

1 Code of 1986 (relating to enforcement of this part).

2 “(G) The establishment of an attestation and verification process for purposes
3 of applying section 1192(d)(2)(B).

4 “(2) MONITORING COMPLIANCE.—The Secretary shall monitor compliance by a
5 manufacturer with the terms of an agreement under section 1193, including by
6 establishing a mechanism through which violations of such terms shall be reported.

7 “(b) Implementation for 2025 and 2026.—Notwithstanding any other provision of this
8 part, the Secretary shall implement this section for 2025 and 2026 by program instruction
9 or otherwise.

10 “SEC. 1197. CIVIL MONETARY PENALTY.

11 “(a) Violations Relating to Offering of Maximum Fair Price.—Any manufacturer of a
12 selected drug that has entered into an agreement under section 1193, with respect to a year
13 during the price applicability period with respect to such drug, that does not provide access
14 to a price that is not more than the maximum fair price (or a lesser price) for such drug for
15 such year—

16 “(1) to a maximum fair price eligible individual who with respect to such drug is
17 described in subparagraph (A) of section 1191(c)(1) and who is dispensed such drug
18 during such year (and to pharmacies, mail order services, and other dispensers, with
19 respect to such maximum fair price eligible individuals who are dispensed such
20 drugs); or

21 “(2) to a hospital, physician, or other provider of services or supplier with respect to
22 maximum fair price eligible individuals who with respect to such drug is described in
23 subparagraph (B) of such section and is furnished or administered such drug by such
24 hospital, physician, or provider or supplier during such year;

25 shall be subject to a civil monetary penalty equal to ten times the amount equal to the
26 product of the number of units of such drug so furnished, dispensed, or administered
27 during such year and the difference between the price for such drug made available for
28 such year by such manufacturer with respect to such individual or hospital, physician,
29 provider of services, or supplier and the maximum fair price for such drug for such year.

30 “(b) Violations of Certain Terms of Agreement.—Any manufacturer of a selected drug
31 that has entered into an agreement under section 1193, with respect to a year during the
32 price applicability period with respect to such drug, that is in violation of a requirement
33 imposed pursuant to section 1193(a)(5), including the requirement to submit information
34 pursuant to section 1193(a)(4), shall be subject to a civil monetary penalty equal to
35 \$1,000,000 for each day of such violation.

36 “(c) False Information.—Any manufacturer that knowingly provides false information
37 for the attestation process or verification process established pursuant to section
38 1196(a)(1)(H), shall be subject to a civil monetary penalty equal to \$100,000,000 for each
39 item of such false information.

40 “(d) Application.—The provisions of section 1128A (other than subsections (a) and (b))
41 shall apply to a civil monetary penalty under this section in the same manner as such

1 provisions apply to a penalty or proceeding under section 1128A(a).”.

2 **(b) Application of Maximum Fair Prices and Conforming Amendments.—**

3 **(1) UNDER MEDICARE.—**

4 **(A) APPLICATION TO PAYMENTS UNDER PART B.—Section 1847A(b)(1)(B) of the**
5 **Social Security Act (42 U.S.C. 1395w–3a(b)(1)(B)) is amended by inserting “or in**
6 **the case of such a drug or biological that is a selected drug (as referred to in**
7 **section 1192(c)), with respect to a price applicability period (as defined in section**
8 **1191(b)(2)), 106 percent of the maximum fair price (as defined in section**
9 **1191(c)(2)) applicable for such drug and a year during such period” after**
10 **“paragraph (4)”.**

11 **(B) APPLICATION UNDER MA OF COST-SHARING FOR PART B DRUGS BASED OFF OF**
12 **NEGOTIATED PRICE.—Section 1852(a)(1)(B)(iv) of the Social Security Act (42**
13 **U.S.C. 1395w–22(a)(1)(B)(iv)) is amended—**

14 **(i) by redesignating subclause (VII) as subclause (VIII); and**

15 **(ii) by inserting after subclause (VI) the following subclause:**

16 **“(VII) A drug or biological that is a selected drug (as referred to in**
17 **section 1192(c)).”.**

18 **(C) EXCEPTION TO PART D NON-INTERFERENCE.—Section 1860D–11(i) of the**
19 **Social Security Act (42 U.S.C. 1395w–111(i)) is amended—**

20 **(i) in paragraph (1), by striking “and” at the end;**

21 **(ii) in paragraph (2), by striking “or institute a price structure for the**
22 **reimbursement of covered part D drugs” and inserting “for covered part D**
23 **drugs; and”; and**

24 **(iii) by adding at the end the following:**

25 **“(3) may not institute a price structure for the reimbursement of covered part D**
26 **drugs, except as provided under part E of title XI.”.**

27 **(D) APPLICATION AS NEGOTIATED PRICE UNDER PART D.—Section 1860D–2(d)(1)**
28 **of the Social Security Act (42 U.S.C. 1395w–102(d)(1)) is amended—**

29 **(i) in subparagraph (B), by inserting “, subject to subparagraph (D),” after**
30 **“negotiated prices”; and**

31 **(ii) by adding at the end the following new subparagraph:**

32 **“(D) APPLICATION OF MAXIMUM FAIR PRICE FOR SELECTED DRUGS.—In applying**
33 **this section, in the case of a covered part D drug that is a selected drug (as**
34 **referred to in section 1192(c)), with respect to a price applicability period (as**
35 **defined in section 1191(b)(2)), the negotiated prices used for payment (as**
36 **described in this subsection) shall be no greater than the maximum fair price (as**
37 **defined in section 1191(c)(2)) for such drug and for each year during such period**
38 **plus any dispensing fees for such drug.”.**

39 **(E) COVERAGE OF SELECTED DRUGS.—Section 1860D–4(b)(3) of the Social**

1 Security Act (42 U.S.C. 1395w-104(b)(3)) is amended by adding at the end the
2 following new subparagraph:

3 “(I) REQUIRED INCLUSION OF SELECTED DRUGS.—For 2025 and each subsequent
4 year, the PDP sponsor offering a prescription drug plan shall include each
5 covered part D drug that is a selected drug under section 1192 for which an
6 agreement for such drug is in effect under section 1193 with respect to the year.”.

7 (F) INFORMATION FROM PRESCRIPTION DRUG PLANS AND MA-PD PLANS
8 REQUIRED.—

9 (i) PRESCRIPTION DRUG PLANS.—Section 1860D-12(b) of the Social Security
10 Act (42 U.S.C. 1395w-112(b)) is amended by adding at the end the following
11 new paragraph:

12 “(8) PROVISION OF INFORMATION RELATED TO MAXIMUM FAIR PRICES.—Each
13 contract entered into with a PDP sponsor under this part with respect to a
14 prescription drug plan offered by such sponsor shall require the sponsor to provide
15 information to the Secretary as requested by the Secretary in accordance with section
16 1194(g).”.

17 (ii) MA-PD PLANS.—Section 1857(f)(3) of the Social Security Act (42
18 U.S.C. 1395w-27(f)(3)) is amended by adding at the end the following new
19 subparagraph:

20 “(E) PROVISION OF INFORMATION RELATED TO MAXIMUM FAIR PRICES.—Section
21 1860D-12(b)(8).”.

22 (2) DRUG PRICE NEGOTIATION PROGRAM PRICES INCLUDED IN BEST PRICE.—Section
23 1927(c)(1)(C) of the Social Security Act (42 U.S.C. 1396r-8(c)(1)(C)) is amended—

24 (A) in clause (i)(VI), by striking “any prices charged” and inserting “subject to
25 clause (ii)(V), any prices charged”; and

26 (B) in clause (ii)—

27 (i) in subclause (III), by striking at the end “; and”;

28 (ii) in subclause (IV), by striking at the end the period and inserting “;
29 and”; and

30 (iii) by adding at the end the following new subclause:

31 “(V) in the case of a rebate period and a covered outpatient drug that
32 is a selected drug (as referred to in section 1192(c)) during such rebate
33 period, shall be inclusive of the maximum fair price (as defined in
34 section 1191(c)(2)) for such drug with respect to such period.”.

35 **SEC. 139002. SELECTED DRUG MANUFACTURER**
36 **EXCISE TAX IMPOSED DURING NONCOMPLIANCE**
37 **PERIODS.**

38 (a) In General.—Chapter 32 of the Internal Revenue Code of 1986 is amended by adding

1 at the end the following new subchapter:

2 **“Subchapter E—Other Items**

3 **“Sec.4192.Selected drugs during noncompliance periods.**

4 **“SEC. 4192. SELECTED DRUGS DURING**
5 **NONCOMPLIANCE PERIODS.**

6 **“(a) In General.—There is hereby imposed on the sale by the manufacturer, producer, or**
7 **importer of any selected drug during a day described in subsection (b) a tax in an amount**
8 **such that the applicable percentage is equal to the ratio of—**

9 **“(1) such tax, divided by**

10 **“(2) the sum of such tax and the price for which so sold.**

11 **“(b) Noncompliance Periods.—A day is described in this subsection with respect to a**
12 **selected drug if it is a day during one of the following periods:**

13 **“(1) The period beginning on the March 1st immediately following the selected drug**
14 **publication date and ending on the first date during which the manufacturer of the**
15 **drug has in place an agreement described in subsection (a) of section 1193 of the Social**
16 **Security Act with respect to such drug.**

17 **“(2) The period beginning on the November 2nd immediately following the March**
18 **1st described in paragraph (1) and ending on the first date during which the**
19 **manufacturer of the drug and the Secretary have agreed to a maximum fair price**
20 **under such agreement.**

21 **“(3) In the case of a selected drug with respect to which the Secretary of Health and**
22 **Human Services has specified a renegotiation period under such agreement, the period**
23 **beginning on the first date after the last date of such renegotiation period and ending**
24 **on the first date during which the manufacturer of the drug has agreed to a**
25 **renegotiated maximum fair price under such agreement.**

26 **“(4) With respect to information that is required to be submitted to the Secretary of**
27 **Health and Human Services under such agreement, the period beginning on the date**
28 **on which such Secretary certifies that such information is overdue and ending on the**
29 **date that such information is so submitted.**

30 **“(c) Applicable Percentage.—For purposes of this section, the term ‘applicable**
31 **percentage’ means—**

32 **“(1) in the case of sales of a selected drug during the first 90 days described in**
33 **subsection (b) with respect to such drug, 65 percent,**

34 **“(2) in the case of sales of such drug during the 91st day through the 180th day**
35 **described in subsection (b) with respect to such drug, 75 percent,**

36 **“(3) in the case of sales of such drug during the 181st day through the 270th day**
37 **described in subsection (b) with respect to such drug, 85 percent, and**

38 **“(4) in the case of sales of such drug during any subsequent day, 95 percent.**

1 “(d) Selected Drug.—For purposes of this section—

2 “(1) IN GENERAL.—The term ‘selected drug’ means any selected drug (within the
3 meaning of section 1192 of the Social Security Act) which is manufactured or
4 produced in the United States or entered into the United States for consumption, use,
5 or warehousing.

6 “(2) UNITED STATES.—The term ‘United States’ has the meaning given such term by
7 section 4612(a)(4).

8 “(3) COORDINATION WITH RULES FOR POSSESSIONS OF THE UNITED STATES.—Rules
9 similar to the rules of paragraphs (2) and (4) of section 4132(c) shall apply for
10 purposes of this section.

11 “(e) Other Definitions.—For purposes of this section, the terms ‘selected drug
12 publication date’ and ‘maximum fair price’ have the meaning given such terms in section
13 1191 of the Social Security Act.

14 “(f) Anti-Abuse Rule.—In the case of a sale which was timed for the purpose of avoiding
15 the tax imposed by this section, the Secretary may treat such sale as occurring during a day
16 described in subsection (b).”.

17 (b) No Deduction for Excise Tax Payments.—Section 275(a)(6) of the Internal Revenue
18 Code of 1986 is amended by inserting “or by section 4192” before the period at the end.

19 (c) Certain Exemptions From Tax Not Applicable.—

20 (1) Section 4221(a) of the Internal Revenue Code of 1986 is amended by adding at
21 the end the following: “In the case of the tax imposed by section 4192, paragraphs (3),
22 (4), (5), and (6) shall not apply.”.

23 (2) Section 6416(b)(2) of such Code is amended by adding at the end the following:
24 “In the case of the tax imposed by section 4192, subparagraphs (B), (C), (D), and (E)
25 shall not apply.”.

26 (d) Clerical Amendment.—The table of subchapters for chapter 32 of such Code is
27 amended by adding at the end the following new item:

28 “subchapter e. other items”.

29 (e) Effective Date.—The amendments made by this section shall apply to sales after the
30 date of the enactment of this Act.

31 SEC. 139003. FUNDING.

32 In addition to amounts otherwise available, there is appropriated for fiscal year 2022,
33 out of any money in the Treasury not otherwise appropriated, to remain available until
34 expended—

35 (1) \$300,000,000 to carry out the provisions of, including the amendments made by,
36 this part in fiscal year 2022;

37 (2) \$300,000,000 to carry out the provisions of, including the amendments made by,
38 this part in fiscal year 2023;

1 “(iii) The rebate amount specified under such paragraph for such part B
2 rebateable drug and calendar quarter.

3 “(B) MANUFACTURER REQUIREMENT.—For each calendar quarter beginning on
4 or after July 1, 2023, the manufacturer of a part B rebateable drug shall, for such
5 drug, not later than 30 days after the date of receipt from the Secretary of the
6 information described in subparagraph (A) for such calendar quarter, provide to
7 the Secretary a rebate that is equal to the amount specified in paragraph (3) for
8 such drug for such calendar quarter.

9 “(2) PART B REBATEABLE DRUG DEFINED.—

10 “(A) IN GENERAL.—In this subsection, the term ‘part B rebateable drug’ means
11 a single source drug or biological (as defined in subparagraph (D) of subsection
12 (c)(6)), including a biosimilar biological product (as defined in subparagraph (H)
13 of such subsection) but excluding a qualifying biosimilar biological product (as
14 defined in subsection (b)(8)(B)(iii)), that would be payable under this part if such
15 drug were furnished to an individual enrolled under this part, except such term
16 shall not include such a drug or biological—

17 “(i) if, as determined by the Secretary, the average total allowed charges
18 for such drug or biological under this part for a year per individual that uses
19 such a drug or biological are less than, subject to subparagraph (B), \$100; or

20 “(ii) that is a vaccine described in subparagraph (A) or (B) of section
21 1861(s)(10).

22 “(B) INCREASE.—The dollar amount applied under subparagraph (A)(i)—

23 “(i) for 2024, shall be the dollar amount specified under such
24 subparagraph for 2023, increased by the percentage increase in the
25 consumer price index for all urban consumers (United States city average)
26 for the 12-month period ending with June of the previous year; and

27 “(ii) for a subsequent year, shall be the dollar amount specified in this
28 clause (or clause (i)) for the previous year (without application of
29 subparagraph (C)), increased by the percentage increase in the consumer
30 price index for all urban consumers (United States city average) for the
31 12-month period ending with June of the previous year.

32 “(C) ROUNDING.—Any dollar amount determined under subparagraph (B) that
33 is not a multiple of \$10 shall be rounded to the nearest multiple of \$10.

34 “(3) REBATE AMOUNT.—

35 “(A) IN GENERAL.—For purposes of paragraph (1), the amount specified in this
36 paragraph for a part B rebateable drug assigned to a billing and payment code for
37 a calendar quarter is, subject to subparagraphs (B) and (G) and paragraph (4),
38 the amount equal to the product of—

39 “(i) the total number of billing units determined under subparagraph (B)
40 for the billing and payment code of such drug; and

41 “(ii) the amount (if any) by which—

1 **“(I) the amount equal to—**

2 **“(aa) in the case of a part B rebatable drug described in**
3 **paragraph (1)(B) of section 1847A(b), 106 percent of the amount**
4 **determined under paragraph (4) of such section for such drug**
5 **during the calendar quarter; or**

6 **“(bb) in the case of a part B rebatable drug described in**
7 **paragraph (1)(C) of such section, the payment amount under such**
8 **paragraph for such drug during the calendar quarter; exceeds**

9 **“(II) the inflation-adjusted payment amount determined under**
10 **subparagraph (C) for such part B rebatable drug during the calendar**
11 **quarter.**

12 **“(B) TOTAL NUMBER OF BILLING UNITS.—For purposes of subparagraph (A)(i),**
13 **the total number of billing units with respect to a part B rebatable drug is**
14 **determined as follows:**

15 **“(i) Determine the total number of units equal to—**

16 **“(I) the total number of units, as reported under subsection (c)(1)(B)**
17 **for each National Drug Code of such drug during the calendar quarter**
18 **that is two calendar quarters prior to the calendar quarter as described**
19 **in subparagraph (A), minus**

20 **“(II) the total number of units with respect to each National Drug**
21 **Code of such drug for which payment was made under a State plan**
22 **under title XIX (or waiver of such plan), as reported by States under**
23 **section 1927(b)(2)(A) for the rebate period that is the same calendar**
24 **quarter as described in subclause (I).**

25 **“(ii) Convert the units determined under clause (i) to billing units for the**
26 **billing and payment code of such drug, using a methodology similar to the**
27 **methodology used under this section, by dividing the units determined under**
28 **clause (i) for each National Drug Code of such drug by the billing unit for the**
29 **billing and payment code of such drug.**

30 **“(iii) Compute the sum of the billing units for each National Drug Code of**
31 **such drug in clause (ii).**

32 **“(C) DETERMINATION OF INFLATION-ADJUSTED PAYMENT AMOUNT.—The**
33 **inflation-adjusted payment amount determined under this subparagraph for a**
34 **part B rebatable drug for a calendar quarter is—**

35 **“(i) the payment amount for the billing and payment code for such drug in**
36 **the payment amount benchmark quarter (as defined in subparagraph (D));**
37 **increased by**

38 **“(ii) the percentage by which the rebate period CPI–U (as defined in**
39 **subparagraph (F)) for the calendar quarter exceeds the benchmark period**
40 **CPI–U (as defined in subparagraph (E)).**

41 **“(D) PAYMENT AMOUNT BENCHMARK QUARTER.—The term ‘payment amount**

1 benchmark quarter’ means the calendar quarter beginning October 1, 2021.

2 “(E) BENCHMARK PERIOD CPI–U.—The term ‘benchmark period CPI–U’ means
3 the consumer price index for all urban consumers (United States city average) for
4 March 2021.

5 “(F) REBATE PERIOD CPI–U.—The term ‘rebate period CPI–U’ means, with
6 respect to a calendar quarter described in subparagraph (C), the greater of the
7 benchmark period CPI–U and the consumer price index for all urban consumers
8 (United States city average) for the first month of the calendar quarter that is two
9 calendar quarters prior to such described calendar quarter.

10 “(G) EXEMPTION FOR SHORTAGES AND SEVERE SUPPLY CHAIN
11 DISRUPTIONS.—The Secretary shall reduce or waive the amount under
12 subparagraph (A) with respect to a part B rebatable drug that is described as
13 currently in shortage on the shortage list in effect under section 506E of the
14 Federal Food, Drug, and Cosmetic Act or in the case of a biosimilar biological
15 product, when the Secretary determines there are severe supply chain
16 disruptions.

17 “(4) SPECIAL TREATMENT OF CERTAIN DRUGS AND EXEMPTION.—

18 “(A) SUBSEQUENTLY APPROVED DRUGS.—In the case of a part B rebatable drug
19 first approved or licensed by the Food and Drug Administration after March 1,
20 2021, clause (i) of paragraph (3)(C) shall be applied as if the term ‘payment
21 amount benchmark quarter’ were defined under paragraph (3)(D) as the third
22 full calendar quarter after the day on which the drug was first marketed and
23 clause (ii) of paragraph (3)(C) shall be applied as if the term ‘benchmark period
24 CPI–U’ were defined under paragraph (3)(E) as if the reference to ‘March 2021’
25 under such paragraph were a reference to ‘the first month of the first full
26 calendar quarter after the day on which the drug was first marketed’.

27 “(B) TIMELINE FOR PROVISION OF REBATES FOR SUBSEQUENTLY APPROVED
28 DRUGS.—In the case of a part B rebatable drug first approved or licensed by the
29 Food and Drug Administration after March 1, 2021, paragraph (1)(B) shall be
30 applied as if the reference to ‘July 1, 2023’ under such paragraph were a
31 reference to the later of the 6th full calendar quarter after the day on which the
32 drug was first marketed or July 1, 2023.

33 “(D) SELECTED DRUGS.—In the case of a part B rebatable drug that is a selected
34 drug (as defined in section 1192(c)) for a price applicability period (as defined in
35 section 1191(b)(2)), in the case such drug is determined (pursuant to such section
36 1192(c)) to no longer be a selected drug, beginning the first calendar quarter after
37 the price applicability period with respect to such drug, clause (i) of paragraph
38 (3)(C) shall be applied as if the term ‘payment amount benchmark quarter’ were
39 defined under paragraph (3)(D) as the calendar quarter beginning January 1 of
40 the last year beginning during such price applicability period with respect to such
41 selected drug and clause (ii) of paragraph (3)(C) shall be applied as if the term
42 ‘benchmark period CPI–U’ were defined under paragraph (3)(E) as if the
43 reference to ‘March 2021’ under such paragraph were a reference to the March

1 of the year preceding such last year.

2 “(5) APPLICATION TO BENEFICIARY COINSURANCE.—In the case of a part B rebatable
3 drug, if the payment amount described in paragraph (3)(A)(ii)(I) (or, in the case of a
4 part B rebatable drug that is a selected drug (as defined in section 1192(c), the
5 payment amount described in subsection (b)(1)(B) for such drug) for a calendar
6 quarter exceeds the inflation adjusted payment for such quarter—

7 “(A) in computing the amount of any coinsurance applicable under this part to
8 an individual to whom such drug is furnished, the computation of such
9 coinsurance shall be equal to 20 percent of the inflation-adjusted payment
10 amount determined under paragraph (3)(C) for such part B rebatable drug; and

11 “(B) the amount of such coinsurance for such calendar quarter, as computed
12 under subparagraph (A), shall be applied as a percent, as determined by the
13 Secretary, to the payment amount that would otherwise apply under
14 subparagraphs (B) or (C) of subsection (b)(1).

15 “(6) REBATE DEPOSITS.—Amounts paid as rebates under paragraph (1)(B) shall be
16 deposited into the Federal Supplementary Medical Insurance Trust Fund established
17 under section 1841.

18 “(7) CIVIL MONEY PENALTY.—If a manufacturer of a part B rebatable drug has
19 failed to comply with the requirements under paragraph (1)(B) for such drug for a
20 calendar quarter, the manufacturer shall be subject to, in accordance with a process
21 established by the Secretary pursuant to regulations, a civil money penalty in an
22 amount equal to at least 125 percent of the amount specified in paragraph (3) for such
23 drug for such calendar quarter. The provisions of section 1128A (other than
24 subsections (a) (with respect to amounts of penalties or additional assessments) and
25 (b)) shall apply to a civil money penalty under this paragraph in the same manner as
26 such provisions apply to a penalty or proceeding under section 1128A(a).”; and

27 (2) in subsection (i), as redesignated by paragraph (1)—

28 (A) in paragraph (4), by striking at the end “and”;

29 (B) in paragraph (5), by striking at the end the period and inserting a
30 semicolon; and

31 (C) by adding at the end the following new paragraphs:

32 “(6) the determination of units under subsection (h);

33 “(7) the determination of whether a drug is a part B rebatable drug under
34 subsection (h);

35 “(8) the calculation of the rebate amount under subsection (h); and

36 “(9) the computation of coinsurance under subsection (h)(5); and

37 “(10) the computation of amounts paid under section 1833(a)(1)(EE).”.

38 (b) Amounts Payable; Cost-Sharing.—Section 1833 of the Social Security Act (42 U.S.C.
39 1395l) is amended—

40 (1) in subsection (a)(1)—

1 (A) in subparagraph (G), by inserting “, subject to subsection (i)(9),” after “the
2 amounts paid”;

3 (B) in subparagraph (S), by striking “with respect to” and inserting “subject to
4 subparagraph (EE), with respect to”;

5 (C) by striking “and (DD)” and inserting “(DD)”; and

6 (D) by inserting before the semicolon at the end the following: “, and (EE) with
7 respect to a part B rebatable drug (as defined in paragraph (2) of section
8 1847A(h)) for which the payment amount for a calendar quarter under
9 paragraph (3)(A)(ii)(I) of such section (or, in the case of a part B rebatable drug
10 that is a selected drug (as defined in section 1192(c) for which, the payment
11 amount described in section 1847A(b)(1)(B)) for such drug for such quarter
12 exceeds the inflation-adjusted payment under paragraph (3)(A)(ii)(II) of such
13 section for such quarter, the amounts paid shall be equal to the percent of the
14 payment amount under paragraph (3)(A)(ii)(I) of such section or section
15 1847A(b)(1)(B), as applicable, that equals the difference between (i) 100 percent,
16 and (ii) the percent applied under section 1847A(h)(5)(B)”;

17 (2) in subsection (i), by adding at the end the following new paragraph:

18 “(9) In the case of a part B rebatable drug (as defined in paragraph (2) of section
19 1847A(h)) for which payment under this subsection is not packaged into a payment for a
20 service furnished on or after July 1, 2023, under the revised payment system under this
21 subsection, in lieu of calculation of coinsurance and the amount of payment otherwise
22 applicable under this subsection, the provisions of section 1847A(h)(5) and paragraph
23 (1)(EE) of subsection (a), shall, as determined appropriate by the Secretary, apply under
24 this subsection in the same manner as such provisions of section 1847A(h)(5) and
25 subsection (a) apply under such section and subsection.”; and

26 (3) in subsection (t)(8), by adding at the end the following new subparagraph:

27 “(F) PART B REBATABLE DRUGS.—In the case of a part B rebatable drug (as
28 defined in paragraph (2) of section 1847A(h), except if such drug does not have a
29 copayment amount as a result of application of subparagraph (E)) for which
30 payment under this part is not packaged into a payment for a covered OPD
31 service (or group of services) furnished on or after July 1, 2023, and the payment
32 for such drug under this subsection is the same as the amount for a calendar
33 quarter under paragraph (3)(A)(ii)(I) of section 1847A(h), under the system
34 under this subsection, in lieu of calculation of the copayment amount and the
35 amount of payment otherwise applicable under this subsection (other than the
36 application of the limitation described in subparagraph (C)), the provisions of
37 section 1847A(h)(5) and paragraph (1)(EE) of subsection (a), shall, as determined
38 appropriate by the Secretary, apply under this subsection in the same manner as
39 such provisions of section 1847A(h)(5) and subsection (a) apply under such
40 section and subsection.”.

41 (c) Conforming Amendments.—

42 (1) TO PART B ASP CALCULATION.—Section 1847A(c)(3) of the Social Security Act (42
43 U.S.C. 1395w-3a(c)(3)) is amended by inserting “subsection (h) or” before “section

1 1927”.

2 (2) EXCLUDING PART B DRUG INFLATION REBATE FROM BEST PRICE.—Section
3 1927(c)(1)(C)(ii)(I) of the Social Security Act (42 U.S.C. 1396r–8(c)(1)(C)(ii)(I)) is
4 amended by inserting “or section 1847A(h)” after “this section”.

5 (3) COORDINATION WITH MEDICAID REBATE INFORMATION DISCLOSURE.—Section
6 1927(b)(3)(D)(i) of the Social Security Act (42 U.S.C. 1396r–8(b)(3)(D)(i)) is amended
7 by inserting “and the rebate” after “the payment amount”.

8 (4) EXCLUDING PART B DRUG INFLATION REBATES FROM AVERAGE MANUFACTURER
9 PRICE.—Section 1927(k)(1)(B)(i) of the Social Security Act (42 U.S.C.
10 1396r–8(k)(1)(B)(i)), as previously amended, is further amended—

11 (A) in subclause (IV), by striking “and”;

12 (B) in subclause (V), by striking the period at the end and inserting a
13 semicolon; and

14 (C) by adding at the end the following new subclause:

15 “(VI) rebates paid by manufacturers under section 1847A(h); and”.

16 (d) Funding.—In addition to amounts otherwise available, there are appropriated to the
17 Centers for Medicare & Medicaid Services, out of any money in the Treasury not otherwise
18 appropriated, \$12,500,000 for fiscal year 2022 and \$7,500,000 for each of fiscal years 2023
19 through 2031, to remain available until expended, to carry out the provisions of, including
20 the amendments made by, this section.

21 **SEC. 139102. MEDICARE PART D REBATE BY** 22 **MANUFACTURERS.**

23 (a) In General.—Part D of title XVIII of the Social Security Act is amended by inserting
24 after section 1860D–14A (42 U.S.C. 1395w–114a) the following new section:

25 **“SEC. 1860D–14B. MANUFACTURER REBATE FOR** 26 **CERTAIN DRUGS WITH PRICES INCREASING** 27 **FASTER THAN INFLATION.**

28 “(a) Requirements.—

29 “(1) SECRETARIAL PROVISION OF INFORMATION.—Not later than 9 months after the
30 end of each applicable year (as defined in subsection (g)(7)), subject to paragraph (3),
31 the Secretary shall, for each part D rebatable drug, report to each manufacturer of
32 such part D rebatable drug the following for such year:

33 “(A) The amount (if any) of the excess annual manufacturer price increase
34 described in subsection (b)(1)(A)(ii) for each dosage form and strength with
35 respect to such drug and year.

36 “(B) The rebate amount specified under subsection (b) for each dosage form
37 and strength with respect to such drug and year.

1 **“(2) MANUFACTURER REQUIREMENTS.—**For each applicable year, the manufacturer
2 **of a part D rebatable drug, for each dosage form and strength with respect to such**
3 **drug, not later than 30 days after the date of receipt from the Secretary of the**
4 **information described in paragraph (1) for such year, shall provide to the Secretary a**
5 **rebate that is equal to the amount specified in subsection (b) for such dosage form and**
6 **strength with respect to such drug for such year.**

7 **“(3) TRANSITION RULE FOR REPORTING.—**The Secretary may, for each rebatable
8 **covered part D drug, delay the timeframe for reporting the information and rebate**
9 **amount described in subparagraphs (A) and (B) of such paragraph for the applicable**
10 **year of 2023 until not later than September 30, 2025.**

11 **“(b) Rebate Amount.—**

12 **“(1) IN GENERAL.—**

13 **“(A) CALCULATION.—**For purposes of this section, the amount specified in this
14 **subsection for a dosage form and strength with respect to a part D rebatable drug**
15 **and applicable year is, subject to subparagraph (C), paragraph (5)(B), and**
16 **paragraph (6), the amount equal to the product of—**

17 **“(i) subject to subparagraph (B) of this paragraph, the total number of**
18 **units that are used to calculate the average manufacturer price of such**
19 **dosage form and strength with respect to such part D rebatable drug, as**
20 **reported by the manufacturer of such drug under section 1927 for each**
21 **month, with respect to such year; and**

22 **“(ii) the amount (if any) by which—**

23 **“(I) the annual manufacturer price (as determined in paragraph (2))**
24 **paid for such dosage form and strength with respect to such part D**
25 **rebatable drug for the year; exceeds**

26 **“(II) the inflation-adjusted payment amount determined under**
27 **paragraph (3) for such dosage form and strength with respect to such**
28 **part D rebatable drug for the year.**

29 **“(B) EXCLUDED UNITS.—**For purposes of subparagraph (A)(i), the Secretary
30 **shall exclude from the total number of units for a dosage form and strength with**
31 **respect to a part D rebatable drug, with respect to an applicable year, the**
32 **following:**

33 **“(i) Units of each dosage form and strength of such part D rebatable drug**
34 **for which payment was made under a State plan under title XIX (or waiver**
35 **of such plan), as reported by States under section 1927(b)(2)(A).**

36 **“(ii) Units of each dosage form and strength of such part D rebatable drug**
37 **for which a rebate is paid under section 1847A(h).**

38 **“(C) EXEMPTION FOR SHORTAGES AND SEVERE SUPPLY CHAIN**
39 **DISRUPTIONS.—**The Secretary shall reduce or waive the amount under
40 **subparagraph (A) with respect to a part D rebatable drug that is described as**
41 **currently in shortage on the shortage list in effect under section 506E of the**

1 Federal Food, Drug, and Cosmetic Act or in the case of a generic drug, when the
2 Secretary determines there are severe supply chain disruptions.

3 **“(2) DETERMINATION OF ANNUAL MANUFACTURER PRICE.—**The annual manufacturer
4 price determined under this paragraph for a dosage form and strength, with respect to
5 a part D rebatable drug and an applicable year, is the sum of the products of—

6 **“(A) the average manufacturer price (as defined in subsection (g)(6)) of such**
7 **dosage form and strength, as calculated for a unit of such drug, with respect to**
8 **each of the calendar quarters of such year; and**

9 **“(B) the ratio of—**

10 **“(i) the total number of units of such dosage form and strength reported**
11 **under section 1927 with respect to each such calendar quarter of such year;**
12 **to**

13 **“(ii) the total number of units of such dosage form and strength reported**
14 **under section 1927 with respect to such year, as determined by the Secretary.**

15 **“(3) DETERMINATION OF INFLATION-ADJUSTED PAYMENT AMOUNT.—**The
16 inflation-adjusted payment amount determined under this paragraph for a dosage
17 form and strength with respect to a part D rebatable drug for an applicable year,
18 subject to paragraph (5), is—

19 **“(A) the benchmark year manufacturer price determined under paragraph (4)**
20 **for such dosage form and strength with respect to such drug and year; increased**
21 **by**

22 **“(B) the percentage by which the applicable year CPI-U (as defined in**
23 **subsection (g)(5)) for the year exceeds the benchmark period CPI-U (as defined in**
24 **subsection (g)(4)).**

25 **“(4) DETERMINATION OF BENCHMARK YEAR MANUFACTURER PRICE.—**The
26 benchmark year manufacturer price determined under this paragraph for a dosage
27 form and strength, with respect to a part D rebatable drug and an applicable year, is
28 the sum of the products of—

29 **“(A) the average manufacturer price (as defined in subsection (g)(6)) of such**
30 **dosage form and strength, as calculated for a unit of such drug, with respect to**
31 **each of the calendar quarters of the payment amount benchmark year (as defined**
32 **in subsection (g)(3)); and**

33 **“(B) the ratio of—**

34 **“(i) the total number of units reported under section 1927 of such dosage**
35 **form and strength with respect to each such calendar quarter of such**
36 **payment amount benchmark year; to**

37 **“(ii) the total number of units reported under section 1927 of such dosage**
38 **form and strength with respect to such payment amount benchmark year.**

39 **“(5) SPECIAL TREATMENT OF CERTAIN DRUGS AND EXEMPTION.—**

40 **“(A) SUBSEQUENTLY APPROVED DRUGS.—**In the case of a part D rebatable drug

1 first approved or licensed by the Food and Drug Administration after October 1,
2 2021, subparagraphs (A) and (B) of paragraph (4) shall be applied as if the term
3 ‘payment amount benchmark year’ were defined under subsection (g)(3) as the
4 first calendar year beginning after the day on which the drug was first marketed
5 by any manufacturer and subparagraph (B) of paragraph (3) shall be applied as
6 if the term ‘benchmark period CPI–U’ were defined under subsection (g)(4) as if
7 the reference to ‘October 2021’ under such subsection were a reference to
8 ‘January of the first year beginning after the date on which the drug was first
9 marketed by any manufacturer’.

10 **“(B) TREATMENT OF NEW FORMULATIONS.—**

11 **“(i) IN GENERAL.—**In the case of a part D rebatable drug that is a line
12 extension of a part D rebatable drug that is an oral solid dosage form, the
13 Secretary shall establish a formula for determining the rebate amount under
14 paragraph (1) and the inflation adjusted payment amount under paragraph
15 (3) with respect to such part D rebatable drug and an applicable year,
16 consistent with the formula applied under subsection (c)(2)(C) of section 1927
17 for determining a rebate obligation for a rebate period under such section.

18 **“(ii) LINE EXTENSION DEFINED.—**In this subparagraph, the term ‘line
19 extension’ means, with respect to a part D rebatable drug, a new formulation
20 of the drug, such as an extended release formulation, but does not include an
21 abuse-deterrent formulation of the drug (as determined by the Secretary),
22 regardless of whether such abuse-deterrent formulation is an extended
23 release formulation.

24 **“(C) SELECTED DRUGS.—**In the case of a part D rebatable drug that is a selected
25 drug (as defined in section 1192(c)) for a price applicability period (as defined in
26 section 1191(b)(2)), in the case such drug is determined (pursuant to such section
27 1192(c)) to no longer be a selected drug, for each applicable year beginning after
28 the price applicability period with respect to such drug, subparagraphs (A) and
29 (B) of paragraph (4) shall be applied as if the term ‘payment amount benchmark
30 year’ were defined under subsection (g)(3) as the last year beginning during such
31 price applicability period with respect to such selected drug and subparagraph
32 (B) of paragraph (3) shall be applied as if the term ‘benchmark period CPI–U’
33 were defined under subsection (g)(4) as if the reference to ‘October 2021’ under
34 such subsection were a reference to January of the last year beginning during
35 such price applicability period with respect to such drug.

36 **“(6) RECONCILIATION IN CASE OF REVISED AMP REPORTS.—**The Secretary shall
37 provide for a method and process under which, in the case of a manufacturer of a part
38 D rebatable drug that submits revisions to information submitted under section 1927
39 by the manufacturer with respect to such drug, the Secretary determines, pursuant to
40 such revisions, adjustments, if any, to the calculation of the amount specified in this
41 subsection for a dosage form and strength with respect to such part D rebatable drug
42 and an applicable year and reconciles any overpayments or underpayments in
43 amounts paid as rebates under this subsection. Any identified underpayment shall be
44 rectified by the manufacturer not later than 30 days after the date of receipt from the

1 Secretary of information on such underpayment.

2 “(c) Rebate Deposits.—Amounts paid as rebates under subsection (b) shall be deposited
3 into the Medicare Prescription Drug Account in the Federal Supplementary Medical
4 Insurance Trust Fund established under section 1841.

5 “(d) Information.—For purposes of carrying out this section, the Secretary shall use
6 information submitted by manufacturers under section 1927(b)(3) and information
7 submitted by States under section 1927(b)(2)(A).

8 “(e) Civil Money Penalty.—If a manufacturer of a part D rebatable drug has failed to
9 comply with the requirement under subsection (a)(2) with respect to such drug for an
10 applicable year, the manufacturer shall be subject to, in accordance with a process
11 established by the Secretary pursuant to regulations, a civil money penalty in an amount
12 equal to 125 percent of the amount specified in subsection (b) for such drug for such year.
13 The provisions of section 1128A (other than subsections (a) (with respect to amounts of
14 penalties or additional assessments) and (b)) shall apply to a civil money penalty under this
15 subsection in the same manner as such provisions apply to a penalty or proceeding under
16 section 1128A(a).

17 “(f) No Administrative or Judicial Review.—There shall be no administrative or judicial
18 review of the following:

19 “(1) The determination of units under this section.

20 “(2) The determination of whether a drug is a part D rebatable drug under this
21 section.

22 “(3) The calculation of the rebate amount under this section.

23 “(g) Definitions.—In this section:

24 “(1) PART D REBATABLE DRUG.—

25 “(A) IN GENERAL.—The term ‘part D rebatable drug’ means a drug or
26 biological that would (without application of this section) be a covered part D
27 drug, except such term shall, with respect to an applicable year, not include such
28 a drug or biological if the average annual total cost under this part for such year
29 per individual who uses such a drug or biological, as determined by the Secretary,
30 is less than, subject to subparagraph (B), \$100, as determined by the Secretary
31 using the most recent data available or, if data is not available, as estimated by
32 the Secretary.

33 “(B) INCREASE.—The dollar amount applied under subparagraph (A)—

34 “(i) for 2024, shall be the dollar amount specified under such
35 subparagraph for 2023, increased by the percentage increase in the
36 consumer price index for all urban consumers (United States city average)
37 for the 12-month period beginning with January of 2023; and

38 “(ii) for a subsequent year, shall be the dollar amount specified in this
39 subparagraph for the previous year, increased by the percentage increase in
40 the consumer price index for all urban consumers (United States city
41 average) for the 12-month period beginning with January of the previous

1 year.

2 Any dollar amount specified under this subparagraph that is not a multiple of \$10
3 shall be rounded to the nearest multiple of \$10.

4 “(2) UNIT.—The term ‘unit’ means, with respect to a part D rebatable drug, the
5 lowest dispensable amount (such as a capsule or tablet, milligram of molecules, or
6 grams) of the part D rebatable drug, as reported under section 1927.

7 “(3) PAYMENT AMOUNT BENCHMARK YEAR.—The term ‘payment amount
8 benchmark year’ means the year beginning October 1, 2021.

9 “(4) BENCHMARK PERIOD CPI—U.—The term ‘benchmark period CPI—U’ means the
10 consumer price index for all urban consumers (United States city average) for October
11 2021.

12 “(5) APPLICABLE YEAR CPI—U.—The term ‘applicable year CPI—U’ means, with
13 respect to an applicable year, the consumer price index for all urban consumers
14 (United States city average) for January of such year.

15 “(6) AVERAGE MANUFACTURER PRICE.—The term ‘average manufacturer price’ has
16 the meaning, with respect to a part D rebatable drug of a manufacturer, given such
17 term in section 1927(k)(1), with respect to a covered outpatient drug of a
18 manufacturer for a rebate period under section 1927.

19 “(7) APPLICABLE YEAR.—The term ‘applicable year’ means a calendar year
20 beginning with 2023.

21 “(h) Implementation for 2023 and 2024.—Notwithstanding any other provision of this
22 section, the Secretary shall implement this section for 2023 and 2024 by program
23 instruction or otherwise.”.

24 (b) Conforming Amendments.—

25 (1) TO PART B ASP CALCULATION.—Section 1847A(c)(3) of the Social Security Act (42
26 U.S.C. 1395w–3a(c)(3)), as amended by section 139101(c)(1), is further amended by
27 striking “subsection (h) or section 1927” and inserting “subsection (h), section 1927, or
28 section 1860D–14B”.

29 (2) EXCLUDING PART D DRUG INFLATION REBATE FROM BEST PRICE.—Section
30 1927(c)(1)(C)(ii)(I) of the Social Security Act (42 U.S.C. 1396r–8(c)(1)(C)(ii)(I)), as
31 amended by section 139101(c)(2), is further amended by striking “or section
32 1847A(h)” and inserting “, section 1847A(h), or section 1860D–14B”.

33 (3) COORDINATION WITH MEDICAID REBATE INFORMATION DISCLOSURE.—Section
34 1927(b)(3)(D)(i) of the Social Security Act (42 U.S.C. 1396r–8(b)(3)(D)(i)), as amended
35 by section 139101(c)(3), is further amended by striking “or to carry out section 1847B”
36 and inserting “or to carry out section 1847B or section 1860D–14B”.

37 (4) EXCLUDING PART D DRUG INFLATION REBATES FROM AVERAGE MANUFACTURER
38 PRICE.—Section 1927(k)(1)(B)(i) of the Social Security Act (42 U.S.C.
39 1396r–8(k)(1)(B)(i)), as previously amended, is further amended by adding at the end
40 the following new subclause:

1 “(VII) rebates paid by manufacturers under section 1860D-14B.”

2 (c) **Funding.**—In addition to amounts otherwise available, there are appropriated to the
3 Centers for Medicare & Medicaid Services, out of any money in the Treasury not otherwise
4 appropriated, \$12,500,000 for fiscal year 2022 and \$7,500,000 for each of fiscal years 2023
5 through 2031, to remain available until expended, to carry out the provisions of, including
6 the amendments made by, this section.

7 **PART 3—PART D IMPROVEMENTS AND MAXIMUM**
8 **OUT-OF-POCKET CAP FOR MEDICARE**
9 **BENEFICIARIES**

10 **SEC. 139201. MEDICARE PART D BENEFIT REDESIGN.**

11 (a) **Benefit Structure Redesign.**—Section 1860D–2(b) of the Social Security Act (42
12 U.S.C. 1395w–102(b)) is amended—

13 (1) in paragraph (2)—

14 (A) in subparagraph (A), in the matter preceding clause (i), by inserting “for a
15 year preceding 2024 and for costs above the annual deductible specified in
16 paragraph (1) and up to the annual out-of-pocket threshold specified in
17 paragraph (4)(B) for 2024 and each subsequent year” after “paragraph (3)”;

18 (B) in subparagraph (C)—

19 (i) in clause (i), in the matter preceding subclause (I), by inserting “for a
20 year preceding 2024,” after “paragraph (4),”; and

21 (ii) in clause (ii)(III), by striking “and each subsequent year” and inserting
22 “through 2023”; and

23 (C) in subparagraph (D)—

24 (i) in clause (i)—

25 (I) in the matter preceding subclause (I), by inserting “for a year
26 preceding 2024,” after “paragraph (4),”; and

27 (II) in subclause (I)(bb), by striking “a year after 2018” and inserting
28 “each of years 2019 through 2023”; and

29 (ii) in clause (ii)(V), by striking “2019 and each subsequent year” and
30 inserting “each of years 2019 through 2023”;

31 (2) in paragraph (3)(A)—

32 (A) in the matter preceding clause (i), by inserting “for a year preceding 2024,”
33 after “and (4),”; and

34 (B) in clause (ii), by striking “for a subsequent year” and inserting “for each of
35 years 2007 through 2023”; and

36 (3) in paragraph (4)—

1 **(A) in subparagraph (A)—**

2 **(i) in clause (i)—**

3 **(I) by redesignating subclauses (I) and (II) as items (aa) and (bb),**
4 **respectively, and moving the margin of each such redesignated item 2**
5 **ems to the right;**

6 **(II) in the matter preceding item (aa), as redesignated by subclause**
7 **(I), by striking “is equal to the greater of—” and inserting “is equal to—**

8 **“(I) for a year preceding 2024, the greater of—”;**

9 **(III) by striking the period at the end of item (bb), as redesignated by**
10 **subclause (I), and inserting “; and”;** and

11 **(IV) by adding at the end the following:**

12 **“(II) for 2024 and each succeeding year, \$0.”;** and

13 **(ii) in clause (ii)—**

14 **(I) by striking “clause (i)(I)” and inserting “clause (i)(I)(aa)”;** and

15 **(II) by adding at the end the following new sentence: “The Secretary**
16 **shall continue to calculate the dollar amounts specified in clause**
17 **(i)(I)(aa), including with the adjustment under this clause, after 2023 for**
18 **purposes of section 1860D–14(a)(1)(D)(iii).”;**

19 **(B) in subparagraph (B)—**

20 **(i) in clause (i)—**

21 **(I) in subclause (V), by striking “or” at the end;**

22 **(II) in subclause (VI)—**

23 **(aa) by striking “for a subsequent year” and inserting “for each**
24 **of years 2021 through 2023”;** and

25 **(bb) by striking the period at the end and inserting a semicolon;**
26 **and**

27 **(III) by adding at the end the following new subclauses:**

28 **“(VII) for 2024, is equal to \$2,000; or**

29 **“(VIII) for a subsequent year, is equal to the amount specified in this**
30 **subparagraph for the previous year, increased by the annual percentage**
31 **increase described in paragraph (6) for the year involved.”;** and

32 **(ii) in clause (ii), by striking “clause (i)(II)” and inserting “clause (i)”;**

33 **(C) in subparagraph (C)(i), by striking “and for amounts” and inserting “and,**
34 **for a year preceding 2024, for amounts”;** and

35 **(D) in subparagraph (E), by striking “In applying” and inserting “For each of**
36 **years 2011 through 2023, in applying”.**

1 **(b) Reinsurance Payment Amount.—Section 1860D–15(b) of the Social Security Act (42**
2 **U.S.C. 1395w–115(b)) is amended—**

3 **(1) in paragraph (1)—**

4 **(A) by striking “equal to 80 percent” and inserting “equal to—**

5 **“(A) for a year preceding 2024, 80 percent”;**

6 **(B) in subparagraph (A), as added by subparagraph (A), by striking the period**
7 **at the end and inserting “; and”;** and

8 **(C) by adding at the end the following new subparagraph:**

9 **“(B) for 2024 and each subsequent year, the sum of—**

10 **“(i) an amount equal to 20 percent of such allowable reinsurance costs**
11 **attributable to that portion of gross prescription drug costs as specified in**
12 **paragraph (3) incurred in the coverage year after such individual has**
13 **incurred costs that exceed the annual out-of-pocket threshold specified in**
14 **section 1860D–2(b)(4)(B) with respect to applicable drugs (as defined in**
15 **section 1860D–14C(g)(2)); and**

16 **“(ii) an amount equal to 40 percent of such allowable reinsurance costs**
17 **attributable to that portion of gross prescription drug costs as specified in**
18 **paragraph (3) incurred in the coverage year after such individual has**
19 **incurred costs that exceed the annual out-of-pocket threshold specified in**
20 **section 1860D–2(b)(4)(B) with respect to covered part D drugs that are not**
21 **applicable drugs (as so defined).”;**

22 **(2) in paragraph (2)—**

23 **(A) by striking “COSTS.—For purposes” and inserting “COSTS.—**

24 **“(A) IN GENERAL.—Subject to subparagraph (B), for purposes”;** and

25 **(B) by adding at the end the following new subparagraph:**

26 **“(B) INCLUSION OF MANUFACTURER DISCOUNTS ON APPLICABLE DRUGS.—For**
27 **purposes of applying subparagraph (A), the term ‘allowable reinsurance costs’**
28 **shall include the portion of the negotiated price (as defined in section**
29 **1860D–14C(g)(6) of an applicable drug (as defined in section 1860D–14C(g)(2))**
30 **that was paid by a manufacturer under the manufacturer discount program**
31 **under section 1860D–14C.”;** and

32 **(3) in paragraph (3)—**

33 **(A) in the first sentence, by striking “For purposes” and inserting “Subject to**
34 **paragraph (2)(B), for purposes”;** and

35 **(B) in the second sentence, by inserting “(or, with respect to 2024 and**
36 **subsequent years, in the case of an applicable drug, as defined in section**
37 **1860D-14C(g)(2), by a manufacturer)” after “by the individual or under the**
38 **plan”.**

39 **(c) Reduced Cost-sharing; Beneficiary Premium Percentage.—**

1 (1) COST-SHARING.—

2 (A) IN GENERAL.—Section 1860D–2(b)(2)(A) of the Social Security Act (42
3 U.S.C. 1395w–102(b)(2)(A)) is amended—

4 (i) in the subparagraph header, by striking “25 PERCENT COINSURANCE”
5 and inserting “COINSURANCE”;

6 (ii) in clause (i), by inserting “(or, for 2024 and each subsequent year, 23
7 percent)” after “25 percent”; and

8 (iii) in clause (ii), by inserting “(or, for 2024 and each subsequent year, 23
9 percent)” after “25 percent”.

10 (B) CONFORMING AMENDMENT.—Section 1860D–14(a)(2)(D) of the Social
11 Security Act (42 U.S.C. 1395w–114(a)(2)(D)) is amended by inserting “(or, for
12 2024 and each subsequent year, instead of coinsurance of ‘23 percent’)” after
13 “instead of coinsurance of ‘25 percent’”.

14 (2) BENEFICIARY PREMIUM PERCENTAGE.—

15 (A) IN GENERAL.—Section 1860D–13(a)(3)(A) of the Social Security Act (42
16 U.S.C. 1395w–113(a)(3)(A)) is amended by inserting “(or, for 2024 and each
17 subsequent year, 23.5 percent)” after “25.5 percent”.

18 (B) CONFORMING AMENDMENTS.—

19 (i) Section 1860D–11(g)(6) of the Social Security Act (42 U.S.C.
20 1395w–111(g)(6)) is amended by inserting “(or, for 2024 and each subsequent
21 year, 23.5 percent)” after “25.5 percent”.

22 (ii) Section 1860D–13(a)(7)(B)(i) of the Social Security Act (42 U.S.C.
23 1395w–113(a)(7)(B)(i)) is amended—

24 (I) in subclause (I), by inserting “(or, for 2024 and each subsequent
25 year, 23.5 percent)” after “25.5 percent”; and

26 (II) in subclause (II), by inserting “(or, for 2024 and each subsequent
27 year, 23.5 percent)” after “25.5 percent”.

28 (iii) Section 1860D–15(a) of the Social Security Act (42 U.S.C.
29 1395w–115(a)) is amended by inserting “(or, for 2024 and each subsequent
30 year, 76.5 percent)” after “74.5 percent”.

31 (d) Manufacturer Discount Program.—

32 (1) IN GENERAL.—Part D of title XVIII of the Social Security Act (42 U.S.C.
33 1395w–101 through 42 U.S.C. 1395w–153), as amended by section 139102, is further
34 amended by inserting after section 1860D–14B the following new sections:

35 **“SEC. 1860D–14C. MANUFACTURER DISCOUNT**
36 **PROGRAM.**

37 **“(a) Establishment.—The Secretary shall establish a manufacturer discount program (in**
38 **this section referred to as the ‘program’). Under the program, the Secretary shall enter**

1 into agreements described in subsection (b) with manufacturers and provide for the
2 performance of the duties described in subsection (c). The Secretary shall establish a model
3 agreement for use under the program by not later than January 1, 2023, in consultation
4 with manufacturers, and allow for comment on such model agreement.

5 **“(b) Terms of Agreement.—**

6 **“(1) IN GENERAL.—**

7 **“(A) AGREEMENT.—**An agreement under this section shall require the
8 manufacturer to provide, in accordance with this section, discounted prices for
9 applicable drugs of the manufacturer that are dispensed to applicable
10 beneficiaries on or after January 1, 2024.

11 **“(B) CLARIFICATION.—**Nothing in this section shall be construed as affecting—

12 **“(i) the application of a coinsurance of 23 percent of the negotiated price,**
13 **as applied under paragraph (2)(A) of section 1860D–2(b), for costs described**
14 **in such paragraph; or**

15 **“(ii) the application of the copayment amount described in paragraph**
16 **(4)(A) of such section, with respect to costs described in such paragraph.**

17 **“(C) TIMING OF AGREEMENT.—**

18 **“(i) SPECIAL RULE FOR 2024.—**In order for an agreement with a
19 manufacturer to be in effect under this section with respect to the period
20 beginning on January 1, 2024, and ending on December 31, 2024, the
21 manufacturer shall enter into such agreement not later than 30 days after the
22 date of the establishment of a model agreement under subsection (a).

23 **“(ii) 2025 AND SUBSEQUENT YEARS.—**In order for an agreement with a
24 manufacturer to be in effect under this section with respect to plan year 2025
25 or a subsequent plan year, the manufacturer shall enter into such agreement
26 not later than a calendar quarter or semi-annual deadline established by the
27 Secretary.

28 **“(2) PROVISION OF APPROPRIATE DATA.—**Each manufacturer with an agreement in
29 effect under this section shall collect and have available appropriate data, as
30 determined by the Secretary, to ensure that it can demonstrate to the Secretary
31 compliance with the requirements under the program.

32 **“(3) COMPLIANCE WITH REQUIREMENTS FOR ADMINISTRATION OF PROGRAM.—**Each
33 manufacturer with an agreement in effect under this section shall comply with
34 requirements imposed by the Secretary or a third party with a contract under
35 subsection (d)(3), as applicable, for purposes of administering the program, including
36 any determination under subparagraph (A) of subsection (c)(1) or procedures
37 established under such subsection (c)(1).

38 **“(4) LENGTH OF AGREEMENT.—**

39 **“(A) IN GENERAL.—**An agreement under this section shall be effective for an
40 initial period of not less than 12 months and shall be automatically renewed for a
41 period of not less than 1 year unless terminated under subparagraph (B).

1 **“(B) TERMINATION.—**

2 **“(i) BY THE SECRETARY.—The Secretary shall provide for termination of**
3 **an agreement under this section for a knowing and willful violation of the**
4 **requirements of the agreement or other good cause shown. Such termination**
5 **shall not be effective earlier than 30 days after the date of notice to the**
6 **manufacturer of such termination. The Secretary shall provide, upon**
7 **request, a manufacturer with a hearing concerning such a termination, and**
8 **such hearing shall take place prior to the effective date of the termination**
9 **with sufficient time for such effective date to be repealed if the Secretary**
10 **determines appropriate.**

11 **“(ii) BY A MANUFACTURER.—A manufacturer may terminate an agreement**
12 **under this section for any reason. Any such termination shall be effective,**
13 **with respect to a plan year—**

14 **“(I) if the termination occurs before January 31 of a plan year, as of**
15 **the day after the end of the plan year; and**

16 **“(II) if the termination occurs on or after January 31 of a plan year,**
17 **as of the day after the end of the succeeding plan year.**

18 **“(iii) EFFECTIVENESS OF TERMINATION.—Any termination under this**
19 **subparagraph shall not affect discounts for applicable drugs of the**
20 **manufacturer that are due under the agreement before the effective date of**
21 **its termination.**

22 **“(iv) NOTICE TO THIRD PARTY.—The Secretary shall provide notice of such**
23 **termination to a third party with a contract under subsection (d)(3) within**
24 **not less than 30 days before the effective date of such termination.**

25 **“(c) Duties Described.—The duties described in this subsection are the following:**

26 **“(1) ADMINISTRATION OF PROGRAM.—Administering the program, including—**

27 **“(A) the determination of the amount of the discounted price of an applicable**
28 **drug of a manufacturer;**

29 **“(B) the establishment of procedures to ensure that, not later than the**
30 **applicable number of calendar days after the dispensing of an applicable drug by**
31 **a pharmacy or mail order service, the pharmacy or mail order service is**
32 **reimbursed for an amount equal to the difference between—**

33 **“(i) the negotiated price of the applicable drug; and**

34 **“(ii) the discounted price of the applicable drug;**

35 **“(C) the establishment of procedures to ensure that the discounted price for an**
36 **applicable drug under this section is applied before any coverage or financial**
37 **assistance under other health benefit plans or programs that provide coverage or**
38 **financial assistance for the purchase or provision of prescription drug coverage**
39 **on behalf of applicable beneficiaries as specified by the Secretary; and**

40 **“(D) providing a reasonable dispute resolution mechanism to resolve**

1 disagreements between manufacturers, applicable beneficiaries, and the third
2 party with a contract under subsection (d)(3).

3 “(2) MONITORING COMPLIANCE.—

4 “(A) IN GENERAL.—The Secretary shall monitor compliance by a manufacturer
5 with the terms of an agreement under this section.

6 “(B) NOTIFICATION.—If a third party with a contract under subsection (d)(3)
7 determines that the manufacturer is not in compliance with such agreement, the
8 third party shall notify the Secretary of such noncompliance for appropriate
9 enforcement under subsection (e).

10 “(3) COLLECTION OF DATA FROM PRESCRIPTION DRUG PLANS AND MA–PD PLANS.—The
11 Secretary may collect appropriate data from prescription drug plans and MA–PD
12 plans in a timeframe that allows for discounted prices to be provided for applicable
13 drugs under this section.

14 “(d) Administration.—

15 “(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall provide for the
16 implementation of this section, including the performance of the duties described in
17 subsection (c).

18 “(2) LIMITATION.—In providing for the implementation of this section, the
19 Secretary shall not receive or distribute any funds of a manufacturer under the
20 program.

21 “(3) CONTRACT WITH THIRD PARTIES.—The Secretary shall enter into a contract
22 with 1 or more third parties to administer the requirements established by the
23 Secretary in order to carry out this section. At a minimum, the contract with a third
24 party under the preceding sentence shall require that the third party—

25 “(A) receive and transmit information between the Secretary, manufacturers,
26 and other individuals or entities the Secretary determines appropriate;

27 “(B) receive, distribute, or facilitate the distribution of funds of manufacturers
28 to appropriate individuals or entities in order to meet the obligations of
29 manufacturers under agreements under this section;

30 “(C) provide adequate and timely information to manufacturers, consistent
31 with the agreement with the manufacturer under this section, as necessary for the
32 manufacturer to fulfill its obligations under this section; and

33 “(D) permit manufacturers to conduct periodic audits, directly or through
34 contracts, of the data and information used by the third party to determine
35 discounts for applicable drugs of the manufacturer under the program.

36 “(4) PERFORMANCE REQUIREMENTS.—The Secretary shall establish performance
37 requirements for a third party with a contract under paragraph (3) and safeguards to
38 protect the independence and integrity of the activities carried out by the third party
39 under the program under this section.

40 “(5) IMPLEMENTATION.—The Secretary shall implement the program under this

1 section for 2024 and 2025 by program instruction or otherwise.

2 “(e) Enforcement.—

3 “(1) AUDITS.—Each manufacturer with an agreement in effect under this section
4 shall be subject to periodic audit by the Secretary.

5 “(2) CIVIL MONEY PENALTY.—

6 “(A) IN GENERAL.—A manufacturer that fails to provide discounted prices for
7 applicable drugs of the manufacturer dispensed to applicable beneficiaries in
8 accordance with such agreement shall be subject to a civil money penalty for each
9 such failure in an amount the Secretary determines is equal to the sum of—

10 “(i) the amount that the manufacturer would have paid with respect to
11 such discounts under the agreement, which will then be used to pay the
12 discounts which the manufacturer had failed to provide; and

13 “(ii) 25 percent of such amount.

14 “(B) APPLICATION.—The provisions of section 1128A (other than subsections
15 (a) and (b)) shall apply to a civil money penalty under this paragraph in the same
16 manner as such provisions apply to a penalty or proceeding under section
17 1128A(a).

18 “(f) Clarification Regarding Availability of Other Covered Part D Drugs.—Nothing in
19 this section shall prevent an applicable beneficiary from purchasing a covered part D drug
20 that is not an applicable drug (including a generic drug or a drug that is not on the
21 formulary of the prescription drug plan or MA–PD plan that the applicable beneficiary is
22 enrolled in).

23 “(g) Definitions.—In this section:

24 “(1) APPLICABLE BENEFICIARY.—The term ‘applicable beneficiary’ means an
25 individual who, on the date of dispensing a covered part D drug—

26 “(A) is enrolled in a prescription drug plan or an MA–PD plan;

27 “(B) is not enrolled in a qualified retiree prescription drug plan; and

28 “(C) has incurred costs, as determined in accordance with section
29 1860D–2(b)(4)(C) as if clause (iii) of such section included a reference to costs
30 reimbursed through insurance, a group health plan, or certain other third-party
31 payment arrangements, for covered part D drugs in the year that exceed—

32 “(i) in the case of an individual not described in clause (ii) or (iii), the
33 annual deductible for such year, as specified in section 1860D-2(b)(1);

34 “(ii) in the case of a subsidy eligible individual described in section
35 1860D-14(a)(1), the annual deductible for such year, as specified in
36 subparagraph (B) of such section; and

37 “(iii) in the case of a subsidy eligible individual described in section
38 1860D–14(a)(2), the annual deductible for such year, as specified in
39 subparagraph (B) of such section.

1 **“(2) APPLICABLE DRUG.—**The term ‘applicable drug’, with respect to an applicable
2 **beneficiary—**

3 **“(A) means a covered part D drug—**

4 **“(i) approved under a new drug application under section 505(c) of the**
5 **Federal Food, Drug, and Cosmetic Act or, in the case of a biologic product,**
6 **licensed under section 351 of the Public Health Service Act; and**

7 **“(ii)(I) if the PDP sponsor of the prescription drug plan or the MA**
8 **organization offering the MA–PD plan uses a formulary, which is on the**
9 **formulary of the prescription drug plan or MA–PD plan that the applicable**
10 **beneficiary is enrolled in;**

11 **“(II) if the PDP sponsor of the prescription drug plan or the MA**
12 **organization offering the MA–PD plan does not use a formulary, for which**
13 **benefits are available under the prescription drug plan or MA–PD plan that**
14 **the applicable beneficiary is enrolled in; or**

15 **“(III) is provided through an exception or appeal; and**

16 **“(B) does not include a selected drug (as referred to under section 1192(c))**
17 **during a price applicability period (as defined in section 1191(b)(2)) with respect**
18 **to such drug.**

19 **“(3) APPLICABLE NUMBER OF CALENDAR DAYS.—**The term ‘applicable number of
20 **calendar days’ means—**

21 **“(A) with respect to claims for reimbursement submitted electronically, 14**
22 **days; and**

23 **“(B) with respect to claims for reimbursement submitted otherwise, 30 days.**

24 **“(4) DISCOUNTED PRICE.—**

25 **“(A) IN GENERAL.—**The term ‘discounted price’ means, subject to
26 **subparagraphs (B) and (C), with respect to an applicable drug of a manufacturer**
27 **dispensed during a year to an applicable beneficiary—**

28 **“(i) who has not incurred costs, as determined in accordance with section**
29 **1860D–2(b)(4)(C), for covered part D drugs in the year that are equal to or**
30 **exceed the annual out-of-pocket threshold specified in section**
31 **1860D–2(b)(4)(B)(i) for the year, 90 percent of the negotiated price of such**
32 **drug; and**

33 **“(ii) who has incurred such costs, as so determined, in the year that are**
34 **equal to or exceed such threshold for the year, 80 percent of the negotiated**
35 **price of such drug.**

36 **“(B) PHASE-IN FOR CERTAIN DRUGS DISPENSED TO LIS BENEFICIARIES.—**

37 **“(i) IN GENERAL.—**In the case of an applicable drug of a specified
38 **manufacturer (as defined in clause (ii)) that is marketed as of the date of**
39 **enactment of this subparagraph and dispensed for an applicable beneficiary**
40 **who is a subsidy eligible individual (as defined in section 1860D–14(a)(3)), the**

1 term ‘discounted price’ means the specified LIS percent (as defined in clause
2 (iii)) of the negotiated price of the applicable drug of the manufacturer.

3 **“(ii) SPECIFIED MANUFACTURER.—**

4 **“(I) IN GENERAL.—**In this subparagraph, subject to subclause (II), the
5 term ‘specified manufacturer’ means a manufacturer of an applicable
6 drug for which, in 2021—

7 **“(aa) the manufacturer had a coverage gap discount agreement**
8 **under section 1860D-14A;**

9 **“(bb) the total expenditures for all of the specified drugs of the**
10 **manufacturer covered by such agreement or agreements for such**
11 **year and covered under this part during such year represented less**
12 **than 1.0 percent of the total expenditures under this part for all**
13 **covered Part D drugs during such year; and**

14 **“(cc) the total expenditures for all of the specified drugs of the**
15 **manufacturer that are single source drugs and biological products**
16 **covered under part B during such year represented less than 1.0**
17 **percent of the total expenditures under part B for all drugs or**
18 **biological products covered under such part during such year.**

19 **“(II) SPECIFIED DRUGS.—**

20 **“(aa) IN GENERAL.—**For purposes of this clause, the term
21 ‘specified drug’ means, with respect to a specified manufacturer,
22 for 2021, an applicable drug that is produced, prepared,
23 propagated, compounded, converted, or processed by the
24 manufacturer.

25 **“(bb) AGGREGATION RULE.—**All persons treated as a single
26 employer under subsection (a) or (b) of section 52 of the Internal
27 Revenue Code of 1986 shall be treated as one manufacturer for
28 purposes of this subparagraph. For purposes of making a
29 determination pursuant to the previous sentence, an agreement
30 under this section shall require that a manufacturer provide and
31 attest to such information as specified by the Secretary as
32 necessary.

33 **“(III) LIMITATION.—**The term ‘specified manufacturer’ shall not
34 include a manufacturer described in subclause (I) if such manufacturer
35 is acquired after 2021 by another manufacturer that is not a specified
36 manufacturer, effective at the beginning of the plan year immediately
37 following such acquisition or, in the case of an acquisition before 2024,
38 effective January 1, 2024.

39 **“(iii) SPECIFIED LIS PERCENT.—**In this subparagraph, the ‘specified LIS
40 percent’ means, with respect to a year—

41 **“(I) for an applicable drug dispensed for an applicable beneficiary**
42 **described in clause (i) who has not incurred costs, as determined in**

1 accordance with section 1860D–2(b)(4)(C), for covered part D drugs in
2 the year that are equal to or exceed the annual out-of-pocket threshold
3 specified in section 1860D–2(b)(4)(B)(i) for the year—

4 “(aa) for 2024, 99 percent;

5 “(bb) for 2025, 98 percent;

6 “(cc) for 2026, 95 percent;

7 “(dd) for 2027, 92 percent; and

8 “(ee) for 2028 and each subsequent year, 90 percent; and

9 “(II) for an applicable drug dispensed for an applicable beneficiary
10 described in clause (i) who has incurred costs, as determined in
11 accordance with section 1860D–2(b)(4)(C), for covered part D drugs in
12 the year that are equal to or exceed the annual out-of-pocket threshold
13 specified in section 1860D–2(b)(4)(B)(i) for the year—

14 “(aa) for 2024, 99 percent;

15 “(bb) for 2025, 98 percent;

16 “(cc) for 2026, 95 percent;

17 “(dd) for 2027, 92 percent;

18 “(ee) for 2028, 90 percent;

19 “(ff) for 2029, 85 percent; and

20 “(gg) for 2030 and each subsequent year, 80 percent.

21 “(C) PHASE-IN FOR SPECIFIED SMALL MANUFACTURERS.—

22 “(i) IN GENERAL.—In the case of an applicable drug of a specified small
23 manufacturer (as defined in clause (ii)) that is marketed as of the date of
24 enactment of this subparagraph and dispensed for an applicable beneficiary,
25 the term ‘discounted price’ means the specified small manufacturer percent
26 (as defined in clause (iii)) of the negotiated price of the applicable drug of the
27 manufacturer.

28 “(ii) SPECIFIED SMALL MANUFACTURER.—

29 “(I) IN GENERAL.—In this subparagraph, subject to subclause (III),
30 the term ‘specified small manufacturer’ means a manufacturer of an
31 applicable drug for which, in 2021—

32 “(aa) the manufacturer is a specified manufacturer (as defined in
33 subparagraph (B)(ii)); and

34 “(bb) the total expenditures under part D for any one of the
35 specified small manufacturer drugs of the manufacturer that are
36 covered by the agreement or agreements under section 1860D–14A
37 of such manufacturer for such year and covered under this part
38 during such year are equal to or more than 80 percent of the total

1 expenditures under this part for all specified small manufacturer
2 drugs of the manufacturer that are covered by such agreement or
3 agreements for such year and covered under this part during such
4 year.

5 **“(II) SPECIFIED SMALL MANUFACTURER DRUGS.—**

6 **“(aa) IN GENERAL.—**For purposes of this clause, the term
7 **‘specified small manufacturer drugs’** means, with respect to a
8 **specified small manufacturer, for 2021, an applicable drug that is**
9 **produced, prepared, propagated, compounded, converted, or**
10 **processed by the manufacturer.**

11 **“(bb) AGGREGATION RULE.—**All persons treated as a single
12 **employer under subsection (a) or (b) of section 52 of the Internal**
13 **Revenue Code of 1986 shall be treated as one manufacturer for**
14 **purposes of this subparagraph. For purposes of making a**
15 **determination pursuant to the previous sentence, an agreement**
16 **under this section shall require that a manufacturer provide and**
17 **attest to such information as specified by the Secretary as**
18 **necessary.**

19 **“(III) LIMITATION.—**The term **‘specified small manufacturer’** shall
20 **not include a manufacturer described in subclause (I) if such**
21 **manufacturer is acquired after 2021 by another manufacturer that is**
22 **not a specified small manufacturer, effective at the beginning of the plan**
23 **year immediately following such acquisition or, in the case of an**
24 **acquisition before 2024, effective January 1, 2024.**

25 **“(iii) SPECIFIED SMALL MANUFACTURER PERCENT.—**In this subparagraph,
26 **the term ‘specified small manufacturer percent’** means, with respect to a
27 **year—**

28 **“(I) for an applicable drug dispensed for an applicable beneficiary**
29 **who has not incurred costs, as determined in accordance with section**
30 **1860D–2(b)(4)(C), for covered part D drugs in the year that are equal to**
31 **or exceed the annual out-of-pocket threshold specified in section**
32 **1860D–2(b)(4)(B)(i) for the year—**

33 **“(aa) for 2024, 99 percent;**

34 **“(bb) for 2025, 98 percent;**

35 **“(cc) for 2026, 95 percent;**

36 **“(dd) for 2027, 92 percent; and**

37 **“(ee) for 2028 and each subsequent year, 90 percent; and**

38 **“(II) for an applicable drug dispensed for an applicable beneficiary**
39 **who has incurred costs, as determined in accordance with section**
40 **1860D–2(b)(4)(C), for covered part D drugs in the year that are equal to**
41 **or exceed the annual out-of-pocket threshold specified in section**

1 **1860D–2(b)(4)(B)(i) for the year—**

2 **“(aa) for 2024, 99 percent;**

3 **“(bb) for 2025, 98 percent;**

4 **“(cc) for 2026, 95 percent;**

5 **“(dd) for 2027, 92 percent;**

6 **“(ee) for 2028, 90 percent;**

7 **“(ff) for 2029, 85 percent; and**

8 **“(gg) for 2030 and each subsequent year, 80 percent.**

9 **“(D) TOTAL EXPENDITURES.—For purposes of this paragraph, the term ‘total**
10 **expenditures’ includes, in the case of expenditures with respect to part D,**
11 **ingredient costs, dispensing fees, sales tax, and, if applicable, vaccine**
12 **administration fees. The term ‘total expenditures’ excludes, in the case of**
13 **expenditures with respect to part B, expenditures for a drug or biological that are**
14 **bundled or packaged into the payment for another service.**

15 **“(E) SPECIAL CASE FOR CERTAIN CLAIMS.—**

16 **“(i) CLAIMS SPANNING DEDUCTIBLE.—In the case where the entire amount**
17 **of the negotiated price of an individual claim for an applicable drug with**
18 **respect to an applicable beneficiary does not fall above the annual deductible**
19 **specified in section 1860D–2(b)(1) for the year, the manufacturer of the**
20 **applicable drug shall provide the discounted price under this section on only**
21 **the portion of the negotiated price of the applicable drug that falls above**
22 **such annual deductible.**

23 **“(ii) CLAIMS SPANNING OUT-OF-POCKET THRESHOLD.—In the case where**
24 **the entire amount of the negotiated price of an individual claim for an**
25 **applicable drug with respect to an applicable beneficiary does not fall**
26 **entirely below or entirely above the annual out-of-pocket threshold specified**
27 **in section 1860D–2(b)(4)(B)(i) for the year, the manufacturer of the**
28 **applicable drug shall provide the discounted price—**

29 **“(I) in accordance with subparagraph (A)(i) on the portion of the**
30 **negotiated price of the applicable drug that falls below such threshold;**
31 **and**

32 **“(II) in accordance with subparagraph (A)(ii) on the portion of such**
33 **price of such drug that falls at or above such threshold.**

34 **“(5) MANUFACTURER.—The term ‘manufacturer’ means any entity which is engaged**
35 **in the production, preparation, propagation, compounding, conversion, or processing**
36 **of prescription drug products, either directly or indirectly by extraction from**
37 **substances of natural origin, or independently by means of chemical synthesis, or by a**
38 **combination of extraction and chemical synthesis. Such term does not include a**
39 **wholesale distributor of drugs or a retail pharmacy licensed under State law.**

40 **“(6) NEGOTIATED PRICE.—The term ‘negotiated price’ has the meaning given such**

1 term in section 423.100 of title 42, Code of Federal Regulations (or any successor
2 regulation) and, with respect to an applicable drug, such negotiated price shall include
3 any dispensing fee and, if applicable, any vaccine administration fee for the applicable
4 drug.

5 “(7) QUALIFIED RETIREE PRESCRIPTION DRUG PLAN.—The term ‘qualified retiree
6 prescription drug plan’ has the meaning given such term in section 1860D–22(a)(2).

7 **“SEC. 1860D–14D. SELECTED DRUG SUBSIDY**
8 **PROGRAM.**

9 “With respect to covered part D drugs that would be applicable drugs (as defined in
10 section 1860D–14C(g)(2) but for the application of subparagraph (B) of such section, the
11 Secretary shall provide a process whereby, in the case of an applicable beneficiary (as
12 defined in section 1860D–14C(g)(1)) who, with respect to a year, is enrolled in a
13 prescription drug plan or is enrolled in an MA–PD plan, has not incurred costs that are
14 equal to or exceed the annual out-of-pocket threshold specified in section
15 1860D–2(b)(4)(B)(i), and is dispensed such a drug the Secretary (periodically and on a
16 timely basis) provides the PDP sponsor or the MA organization offering the plan, a subsidy
17 with respect to such drug that is equal to 10 percent of the negotiated price (as defined in
18 section 1860D–14C(g)(6)) of such drug.”.

19 (2) SUNSET OF MEDICARE COVERAGE GAP DISCOUNT PROGRAM.—Section 1860D–14A
20 of the Social Security Act (42 U.S.C. 1395–114a) is amended—

21 (A) in subsection (a), in the first sentence, by striking “The Secretary” and
22 inserting “Subject to subsection (h), the Secretary”; and

23 (B) by adding at the end the following new subsection:

24 “(h) Sunset of Program.—

25 “(1) IN GENERAL.—The program shall not apply with respect to applicable drugs
26 dispensed on or after January 1, 2024, and, subject to paragraph (2), agreements
27 under this section shall be terminated as of such date.

28 “(2) CONTINUED APPLICATION FOR APPLICABLE DRUGS DISPENSED PRIOR TO
29 SUNSET.—The provisions of this section (including all responsibilities and duties) shall
30 continue to apply on and after January 1, 2024, with respect to applicable drugs
31 dispensed prior to such date.”.

32 (3) INCLUSION OF ACTUARIAL VALUE OF MANUFACTURER DISCOUNTS IN BIDS.—Section
33 1860D–11 of the Social Security Act (42 U.S.C. 1395w–111) is amended—

34 (A) in subsection (b)(2)(C)(iii)—

35 (i) by striking “assumptions regarding the reinsurance” and inserting
36 “assumptions regarding—

37 “(I) the reinsurance”; and

38 (ii) by adding at the end the following:

39 “(II) for 2024 and each subsequent year, the manufacturer discounts

1 provided under section 1860D–14C subtracted from the actuarial value
2 to produce such bid; and”;

3 (B) in subsection (c)(1)(C)—

4 (i) by striking “an actuarial valuation of the reinsurance” and inserting
5 “an actuarial valuation of—

6 “(i) the reinsurance”;

7 (ii) in clause (i), as inserted by clause (i) of this subparagraph, by adding
8 “and” at the end; and

9 (iii) by adding at the end the following:

10 “(ii) for 2024 and each subsequent year, the manufacturer discounts
11 provided under section 1860D–14C;”.

12 (e) Conforming Amendments.—

13 (1) Section 1860D–2 of the Social Security Act (42 U.S.C. 1395w–102) is amended—

14 (A) in subsection (a)(2)(A)(i)(I), by striking “, or an increase in the initial” and
15 inserting “or, for a year preceding 2024, an increase in the initial”;

16 (B) in subsection (c)(1)(C)—

17 (i) in the subparagraph heading, by striking “AT INITIAL COVERAGE
18 LIMIT”; and

19 (ii) by inserting “for a year preceding 2024 or the annual out-of-pocket
20 threshold specified in subsection (b)(4)(B) for the year for 2024 and each
21 subsequent year” after “subsection (b)(3) for the year” each place it appears;
22 and

23 (C) in subsection (d)(1)(A), by striking “or an initial” and inserting “or, for a
24 year preceding 2024, an initial”.

25 (2) Section 1860D–4(a)(4)(B)(i) of the Social Security Act (42 U.S.C.
26 1395w–104(a)(4)(B)(i)) is amended by striking “the initial” and inserting “for a year
27 preceding 2024, the initial”.

28 (3) Section 1860D–14(a) of the Social Security Act (42 U.S.C. 1395w–114(a)) is
29 amended—

30 (A) in paragraph (1)—

31 (i) in subparagraph (C), by striking “The continuation” and inserting “For
32 a year preceding 2024, the continuation”;

33 (ii) in subparagraph (D)(iii), by striking “1860D–2(b)(4)(A)(i)(I)” and
34 inserting “1860D–2(b)(4)(A)(i)(I)(aa)”;

35 (iii) in subparagraph (E), by striking “The elimination” and inserting “For
36 a year preceding 2024, the elimination”;

37 (B) in paragraph (2)—

1 (i) in subparagraph (C), by striking “The continuation” and inserting “For
2 a year preceding 2024, the continuation”; and

3 (ii) in subparagraph (E), by striking “1860D–2(b)(4)(A)(i)(I)” and inserting
4 “1860D–2(b)(4)(A)(i)(I)(aa)”.

5 (4) Section 1860D–21(d)(7) of the Social Security Act (42 U.S.C. 1395w–131(d)(7)) is
6 amended by striking “section 1860D–2(b)(4)(B)(i)” and inserting “section
7 1860D–2(b)(4)(C)(i)”.

8 (5) Section 1860D–22(a)(2)(A) of the Social Security Act (42 U.S.C.
9 1395w–132(a)(2)(A)) is amended—

10 (A) by striking “the value of any discount” and inserting the following: “the
11 value of—

12 “(i) for years prior to 2024, any discount”;

13 (B) in clause (i), as inserted by subparagraph (A) of this paragraph, by striking
14 the period at the end and inserting “; and”; and

15 (C) by adding at the end the following new clause:

16 “(ii) for 2024 and each subsequent year, any discount provided pursuant to
17 section 1860D–14C.”.

18 (6) Section 1860D–41(a)(6) of the Social Security Act (42 U.S.C. 1395w–151(a)(6)) is
19 amended—

20 (A) by inserting “for a year before 2024” after “1860D–2(b)(3)”;

21 (B) by inserting “for such year” before the period.

22 (7) Section 1860D–43 of the Social Security Act (42 U.S.C. 1395w–153) is amended—

23 (A) in subsection (a)—

24 (i) by striking paragraph (1) and inserting the following:

25 “(1) participate in—

26 “(A) for 2011 through 2023, the Medicare coverage gap discount program
27 under section 1860D–14A; and

28 “(B) for 2024 and each subsequent year, the manufacturer discount program
29 under section 1860D–14C;”;

30 (ii) by striking paragraph (2) and inserting the following:

31 “(2) have entered into and have in effect—

32 “(A) for 2011 through 2023, an agreement described in subsection (b) of section
33 1860D–14A with the Secretary; and

34 “(B) for 2024 and each subsequent year, an agreement described in subsection
35 (b) of section 1860D–14C with the Secretary; and”;

36 (iii) by striking paragraph (3) and inserting the following:

1 “(3) have entered into and have in effect, under terms and conditions specified by
2 the Secretary—

3 “(A) for 2011 through 2023, a contract with a third party that the Secretary has
4 entered into a contract with under subsection (d)(3) of section 1860D–14A; and

5 “(B) for 2024 and each subsequent year, a contract with a third party that the
6 Secretary has entered into a contract with under subsection (d)(3) of section
7 1860D–14C.”; and

8 (B) by striking subsection (b) and inserting the following:

9 “(b) Effective Date.—Paragraphs (1)(A), (2)(A), and (3)(A) of subsection (a) shall apply
10 to covered part D drugs dispensed under this part on or after January 1, 2011, and before
11 January 1, 2024, and paragraphs (1)(B), (2)(B), and (3)(B) of such subsection shall apply to
12 covered part D drugs dispensed under this part on or after January 1, 2024.”.

13 (8) Section 1927 of the Social Security Act (42 U.S.C. 1396r–8) is amended—

14 (A) in subsection (c)(1)(C)(i)(VI), by inserting before the period at the end the
15 following: “or under the manufacturer discount program under section
16 1860D–14C”; and

17 (B) in subsection (k)(1)(B)(i)(V), by inserting before the period at the end the
18 following: “or under section 1860D–14C”.

19 (f) Implementation for 2024 and 2025.—Notwithstanding any other provision of this
20 section, the Secretary shall implement this section, including the amendments made by this
21 section, for 2024 and 2025 by program instruction or otherwise.

22 (g) Funding.—In addition to amounts otherwise available, there are appropriated to the
23 Centers for Medicare & Medicaid Services, out of any money in the Treasury not otherwise
24 appropriated, \$44,000,000 for fiscal year 2022, \$38,000,000 for fiscal year 2023, and
25 \$32,000,000 for each of fiscal years 2024 through 2031, to remain available until expended,
26 to carry out the provisions of, including the amendments made by, this section.

27 **SEC. 139202. MAXIMUM MONTHLY CAP ON COST** 28 **SHARING PAYMENTS UNDER PRESCRIPTION DRUG** 29 **PLANS AND MA–PD PLANS.**

30 (a) In General.—Section 1860D–2(b) of the Social Security Act (42 U.S.C. 1395w–102(b)),
31 as amended by section 139201, is amended—

32 (1) in paragraph (2)—

33 (A) in subparagraph (A), by striking “and (D)” and inserting “, (D), and (E)”;
34 and

35 (B) by adding at the end the following new subparagraph:

36 “(E) MAXIMUM MONTHLY CAP ON COST SHARING PAYMENTS.—

37 “(i) IN GENERAL.—For plan years beginning on or after January 1, 2025,
38 each PDP sponsor offering a prescription drug plan and each MA

1 organization offering an MA–PD plan shall provide to any enrollee of such
2 plan, including an enrollee who is a subsidy eligible individual (as defined in
3 paragraph (3) of section 1860D-14(a)), the option to elect with respect to a
4 plan year to pay cost sharing under the plan in monthly amounts that are
5 capped in accordance with this subparagraph.

6 “(ii) DETERMINATION OF MAXIMUM MONTHLY CAP.—For each month in the
7 plan year for which an enrollee in a prescription drug plan or an MA–PD
8 plan has made an election pursuant to clause (i), the PDP sponsor or MA
9 organization shall determine a maximum monthly cap (as defined in clause
10 (iv)) for such enrollee.

11 “(iii) BENEFICIARY MONTHLY PAYMENTS.—With respect to an enrollee who
12 has made an election pursuant to clause (i), for each month described in
13 clause (ii), the PDP sponsor or MA organization shall bill such enrollee an
14 amount (not to exceed the maximum monthly cap) for the out-of-pocket costs
15 of such enrollee in such month.

16 “(iv) MAXIMUM MONTHLY CAP DEFINED.—In this subparagraph, the term
17 ‘maximum monthly cap’ means, with respect to an enrollee—

18 “(I) for the first month for which the enrollee has made an election
19 pursuant to clause (i), an amount determined by calculating—

20 “(aa) the annual out-of-pocket threshold specified in paragraph
21 (4)(B) minus the incurred costs of the enrollee as described in
22 paragraph (4)(C); divided by

23 “(bb) the number of months remaining in the plan year; and

24 “(II) for a subsequent month, an amount determined by calculating—

25 “(aa) the sum of any remaining out-of-pocket costs owed by the
26 enrollee from a previous month that have not yet been billed to the
27 enrollee and any additional out-of-pocket costs incurred by the
28 enrollee; divided by

29 “(bb) the number of months remaining in the plan year.

30 “(v) ADDITIONAL REQUIREMENTS.—The following requirements shall apply
31 with respect to the option to make an election pursuant to clause (i) under
32 this subparagraph:

33 “(I) SECRETARIAL RESPONSIBILITIES.—The Secretary shall provide
34 information to part D eligible individuals on the option to make such
35 election through educational materials, including through the notices
36 provided under section 1804(a).

37 “(II) TIMING OF ELECTION.—An enrollee in a prescription drug plan
38 or an MA–PD plan may make such an election—

39 “(aa) prior to the beginning of the plan year; or

40 “(bb) in any month during the plan year.

1 **“(III) PDP SPONSOR AND MA ORGANIZATION RESPONSIBILITIES.—Each**
2 **PDP sponsor offering a prescription drug plan or MA organization**
3 **offering an MA–PD plan—**

4 **“(aa) may not limit the option for an enrollee to make such an**
5 **election to certain covered part D drugs;**

6 **“(bb) shall, prior to the plan year, notify prospective enrollees of**
7 **the option to make such an election in promotional materials;**

8 **“(cc) shall include information on such option in enrollee**
9 **educational materials;**

10 **“(dd) shall have in place a mechanism to notify a pharmacy**
11 **during the plan year when an enrollee incurs out-of-pocket costs**
12 **with respect to covered part D drugs that make it likely the enrollee**
13 **may benefit from making such an election;**

14 **“(ee) shall provide that a pharmacy, after receiving a notification**
15 **described in item (dd) with respect to an enrollee, informs the**
16 **enrollee of such notification;**

17 **“(ff) shall ensure that such an election by an enrollee has no effect**
18 **on the amount paid to pharmacies (or the timing of such payments)**
19 **with respect to covered part D drugs dispensed to the enrollee; and**

20 **“(gg) shall have in place a financial reconciliation process to**
21 **correct inaccuracies in payments made by an enrollee under this**
22 **subparagraph with respect to covered part D drugs during the plan**
23 **year.**

24 **“(IV) FAILURE TO PAY AMOUNT BILLED.—If an enrollee fails to pay the**
25 **amount billed for a month as required under this subparagraph, the**
26 **election of the enrollee pursuant to clause (i) shall be terminated and the**
27 **enrollee shall pay the cost sharing otherwise applicable for any covered**
28 **part D drugs subsequently dispensed to the enrollee up to the annual**
29 **out-of-pocket threshold specified in paragraph (4)(B).**

30 **“(V) CLARIFICATION REGARDING PAST DUE AMOUNTS.—Nothing in this**
31 **subparagraph shall be construed as prohibiting a PDP sponsor or an**
32 **MA organization from billing an enrollee for an amount owed under**
33 **this subparagraph.**

34 **“(VI) TREATMENT OF UNSETTLED BALANCES.—Any unsettled balances**
35 **with respect to amounts owed under this subparagraph shall be treated**
36 **as plan losses and the Secretary shall not be liable for any such balances**
37 **outside of those assumed as losses estimated in plan bids.”; and**

38 **(2) in paragraph (4)—**

39 **(A) in subparagraph (C), by striking “in subparagraph (E)” and inserting “in**
40 **subparagraph (E) and subject to subparagraph (F)”;** and

41 **(B) by adding at the end the following new subparagraph:**

1 “(F) INCLUSION OF COSTS PAID UNDER MAXIMUM MONTHLY CAP OPTION.—In
2 applying subparagraph (A), with respect to an enrollee who has made an election
3 pursuant to clause (i) of paragraph (2)(E), costs shall be treated as incurred if
4 such costs are paid by a PDP sponsor or an MA organization under the option
5 provided under such paragraph.”.

6 (b) Application to Alternative Prescription Drug Coverage.—Section 1860D–2(c) of the
7 Social Security Act (42 U.S.C. 1395w–102(c)) is amended by adding at the end the following
8 new paragraph:

9 “(4) SAME MAXIMUM MONTHLY CAP ON COST SHARING.—For plan years beginning on
10 or after January 1, 2025, the maximum monthly cap on cost sharing payments under
11 the option provided under subsection (b)(2)(E) shall apply to such coverage.”.

12 (c) Implementation for 2025.—The Secretary shall implement this section, including the
13 amendments made by this section, for 2025 by program instruction or otherwise.

14 (d) Funding.—In addition to amounts otherwise available, there are appropriated to the
15 Centers for Medicare & Medicaid Services, out of any money in the Treasury not otherwise
16 appropriated, \$1,000,000 for each of fiscal years 2022 through 2031, to remain available
17 until expended, to carry out the provisions of, including the amendments made by, this
18 section.

19 **PART 4—REPEAL OF CERTAIN PRESCRIPTION** 20 **DRUG REBATE RULE**

21 **SEC. 139301. PROHIBITING IMPLEMENTATION OF** 22 **RULE RELATING TO ELIMINATING THE** 23 **ANTI-KICKBACK STATUTE SAFE HARBOR** 24 **PROTECTION FOR PRESCRIPTION DRUG REBATES.**

25 Beginning January 1, 2026, the Secretary of Health and Human Services shall not
26 implement, administer, or enforce the provisions of the final rule published by the Office of
27 the Inspector General of the Department of Health and Human Services on November 30,
28 2020, and titled “Fraud and Abuse; Removal of Safe Harbor Protection for Rebates
29 Involving Prescription Pharmaceuticals and Creation of New Safe Harbor Protection for
30 Certain Point-of-Sale Reductions in Price on Prescription Pharmaceuticals and Certain
31 Pharmacy Benefit Manager Service Fees” (85 Fed. Reg. 76666).

32 **PART 5—MISCELLANEOUS**

33 **SEC. 139401. APPROPRIATE COST-SHARING FOR** 34 **CERTAIN INSULIN PRODUCTS UNDER MEDICARE** 35 **PART D.**

36 (a) In General.—Section 1860D–2 of the Social Security Act (42 U.S.C. 1395w–102) is
37 amended—

1 (1) in subsection (b)—

2 (A) in paragraph (1)(A), by striking “The coverage” and inserting “Subject to
3 paragraph (8), the coverage”;

4 (B) in paragraph (2)(A), by striking “and (D)” and inserting “and (D) and
5 paragraph (8)”;

6 (C) in paragraph (3)(A), by striking “and (4)” and inserting “(4), and (8)”;

7 (D) in paragraph (4)(A)(i), by striking “The coverage” and inserting “Subject
8 to paragraph (8), the coverage”; and

9 (E) by adding at the end the following new paragraph:

10 **“(8) TREATMENT OF COST-SHARING FOR CERTAIN INSULIN PRODUCTS.—**

11 **“(A) IN GENERAL.—For plan years beginning on or after January 1, 2023, the**
12 **following shall apply with respect to insulin products (as defined in subparagraph**
13 **(B)):**

14 **“(i) NO APPLICATION OF DEDUCTIBLE.—The deductible under paragraph**
15 **(1) shall not apply with respect to such insulin products.**

16 **“(ii) APPLICATION OF COST-SHARING.—**

17 **“(I) PLAN YEAR 2023.—For plan year 2023, the coverage provides**
18 **benefits for such insulin products, regardless of whether an individual**
19 **has reached the initial coverage limit under paragraph (3) or the**
20 **out-of-pocket threshold under paragraph (4), with cost-sharing that is**
21 **equal to the applicable copayment amount.**

22 **“(II) PLAN YEAR 2024 AND SUBSEQUENT PLAN YEARS.—For plan year**
23 **2024 and subsequent plan years, the coverage provides benefits for such**
24 **insulin products, prior to an individual reaching the out-of-pocket**
25 **threshold under paragraph (4), with cost-sharing that is equal to the**
26 **applicable copayment amount.**

27 **“(III) APPLICABLE COPAYMENT AMOUNT.—For purposes of this clause,**
28 **the term ‘applicable copayment amount’ means, with respect to an**
29 **insulin product under a prescription drug plan or an MA–PD plan, an**
30 **amount that is not more than \$35.**

31 **“(B) INSULIN PRODUCT.—For purposes of this paragraph, the term ‘insulin**
32 **product’ means an insulin product that is approved under section 505 of the**
33 **Federal Food, Drug, and Cosmetic Act or licensed under section 351 of the Public**
34 **Health Service Act and marketed pursuant to such approval or licensure,**
35 **including any insulin product that has been deemed to be licensed under section**
36 **351 of the Public Health Service Act pursuant to section 7002(e)(4) of the**
37 **Biologics Price Competition and Innovation Act of 2009 and marketed pursuant**
38 **to such section.”; and**

39 (2) in subsection (c), by adding at the end the following new paragraph:

40 **“(4) TREATMENT OF COST-SHARING FOR INSULIN PRODUCTS.—The coverage is**

1 provided in accordance with subsection (b)(8).”.

2 (b) **Conforming Amendments to Cost-sharing for Low-income Individuals.—Section**
3 **1860D–14(a) of the Social Security Act (42 U.S.C. 1395w–114(a)) is amended—**

4 (1) in paragraph (1)—

5 (A) in subparagraph (D)(iii), by adding at the end the following new sentence:
6 “For plan year 2023 and subsequent plan years, the copayment amount
7 applicable under the preceding sentence to an insulin product (as defined in
8 section 1860D–2(b)(8)(B)) furnished to the individual may not exceed the
9 applicable copayment amount for the product under the prescription drug plan
10 or MA–PD plan in which the individual is enrolled.”; and

11 (B) in subparagraph (E), by inserting the following before the period at the end
12 “or under section 1860D–2(b)(8) in the case of an insulin product (as defined in
13 subparagraph (B) of such section)”;

14 (2) in paragraph (2)—

15 (A) in subparagraph (D), by adding at the end the following new sentence: “For
16 plan year 2023 and subsequent plan years, the amount of the coinsurance
17 applicable under the preceding sentence to an insulin product (as defined in
18 section 1860D–2(b)(8)(B)) furnished to the individual may not exceed the
19 applicable copayment amount for the product under the prescription drug plan
20 or MA–PD plan in which the individual is enrolled.”; and

21 (B) in subparagraph (E), by adding at the end the following new sentence: “For
22 plan year 2023, the amount of the copayment or coinsurance applicable under the
23 preceding sentence to an insulin product (as defined in section 1860D–2(b)(8)(B))
24 furnished to the individual may not exceed the applicable copayment amount for
25 the product under the prescription drug plan or MA–PD plan in which the
26 individual is enrolled.”

27 (c) **Implementation.—The Secretary shall implement this section for plan years 2023 and**
28 **2024 by program instruction or otherwise.**

29 **SEC. 139402. COVERAGE OF ADULT VACCINES**
30 **RECOMMENDED BY THE ADVISORY COMMITTEE**
31 **ON IMMUNIZATION PRACTICES UNDER MEDICARE**
32 **PART D.**

33 (a) **Ensuring Treatment of Cost Sharing Is Consistent With Treatment of Vaccines**
34 **Under Medicare Part B.—Section 1860D–2 of the Social Security Act (42 U.S.C.**
35 **1395w–102), as amended by section 139401, is further amended—**

36 (1) in subsection (b)—

37 (A) in paragraph (1)(A), by striking “paragraph (8)” and inserting
38 “paragraphs (8) and (9)”;

39 (B) in paragraph (2)(A), by striking “paragraph (8)” and inserting “paragraphs

1 (8) and (9)”;

2 (C) in paragraph (3)(A), by striking “and (8)” and inserting “(8), and (9)”;

3 (D) in paragraph (4)(A)(i), by striking “paragraph (8)” and inserting
4 “paragraphs (8) and (9)”; and

5 (E) by adding at the end the following new paragraph:

6 “(9) TREATMENT OF COST SHARING FOR ADULT VACCINES RECOMMENDED BY THE
7 ADVISORY COMMITTEE ON IMMUNIZATION PRACTICES CONSISTENT WITH TREATMENT OF
8 VACCINES UNDER PART B.—

9 “(A) IN GENERAL.—For plan years beginning on or after January 1, 2024 , the
10 following shall apply with respect to an adult vaccine recommended by the
11 Advisory Committee on Immunization Practices (as defined in subparagraph
12 (B)):

13 “(i) NO APPLICATION OF DEDUCTIBLE.—The deductible under paragraph
14 (1) shall not apply with respect to such vaccine.

15 “(ii) NO APPLICATION OF COINSURANCE OR ANY OTHER
16 COST-SHARING.—There shall be no coinsurance or other cost-sharing under
17 this part with respect to such vaccine, regardless of whether for costs below,
18 at, or above the initial coverage limit under paragraph (3) or the
19 out-of-pocket threshold under paragraph (4).

20 “(B) ADULT VACCINES RECOMMENDED BY THE ADVISORY COMMITTEE ON
21 IMMUNIZATION PRACTICES.—For purposes of this paragraph, the term ‘adult
22 vaccine recommended by the Advisory Committee on Immunization Practices’
23 means a covered part D drug that is a vaccine licensed under section 351 of the
24 Public Health Service Act for use by adult populations and administered in
25 accordance with recommendations of the Advisory Committee on Immunization
26 Practices of the Centers for Disease Control and Prevention.”; and

27 (2) in subsection (c), by adding at the end the following new paragraph:

28 “(5) TREATMENT OF COST SHARING FOR ADULT VACCINES RECOMMENDED BY THE
29 ADVISORY COMMITTEE ON IMMUNIZATION PRACTICES.—The coverage is in accordance
30 with subsection (b)(9).”.

31 (b) Conforming Amendments to Cost Sharing for Low-income Individuals.—Section
32 1860D–14(a) of the Social Security Act (42 U.S.C. 1395w–114(a)), as amended by section
33 139401, is further amended—

34 (1) in paragraph (1)(D), in each of clauses (ii) and (iii), by striking “In the case” and
35 inserting “Subject to paragraph (6), in the case”;

36 (2) in paragraph (2)—

37 (A) in subparagraph (B), by striking “A reduction” and inserting “Subject to
38 paragraph (6), a reduction”

39 (B) in subparagraph (D), by striking “The substitution” and inserting “Subject
40 to paragraph (6), the substitution”; and

1 (C) in subparagraph (E), by striking “subsection (c)” and inserting “paragraph
2 (6) and subsection (c)”; and

3 (3) by adding at the end the following new paragraph:

4 “(6) NO APPLICATION OF COST SHARING FOR ADULT VACCINES RECOMMENDED BY THE
5 ADVISORY COMMITTEE ON IMMUNIZATION PRACTICES.—For plan years beginning on or
6 after January 1, 2024, there shall be no cost sharing under this section, including no
7 annual deductible applicable under this section, with respect to an adult vaccine
8 recommended by the Advisory Committee on Immunization Practices (as defined in
9 subparagraph (B) of such section).”.

10 (c) Rule of Construction.—Nothing in this section shall be construed as limiting coverage
11 under part D of title XVIII of the Social Security Act for vaccines that are not
12 recommended by the Advisory Committee on Immunization Practices.

13 (d) Implementation for 2024.—The Secretary shall implement this section, including the
14 amendments made by this section, for 2024 by program instruction or otherwise.

15 **SEC. 139403. PAYMENT FOR BIOSIMILAR** 16 **BIOLOGICAL PRODUCTS DURING INITIAL PERIOD.**

17 Section 1847A(c)(4) of the Social Security Act (42 U.S.C. 1395w–3a(c)(4)) is amended—

18 (1) in each of subparagraphs (A) and (B), by redesignating clauses (i) and (ii) as
19 subclauses (I) and (II), respectively, and moving such subclauses 2 ems to the right;

20 (2) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii) and moving
21 such clauses 2 ems to the right;

22 (3) by striking “UNAVAILABLE.—In the case” and inserting “UNAVAILABLE.—

23 “(A) IN GENERAL.—Subject to subparagraph (B), in the case”; and

24 (4) by adding at the end the following new subparagraph:

25 “(B) LIMITATION ON PAYMENT AMOUNT FOR BIOSIMILAR BIOLOGICAL PRODUCTS
26 DURING INITIAL PERIOD.—In the case of a biosimilar biological product furnished
27 on or after July 1, 2023, during the initial period described in subparagraph (A)
28 with respect to the biosimilar biological product, the amount payable under this
29 section for the biosimilar biological product is the lesser of the following:

30 “(i) The amount determined under clause (ii) of such subparagraph for the
31 biosimilar biological product.

32 “(ii) The amount determined under subsection (b)(1)(B) for the reference
33 biological product.”.

34 **SEC. 139404. TEMPORARY INCREASE IN MEDICARE** 35 **PART B PAYMENT FOR CERTAIN BIOSIMILAR** 36 **BIOLOGICAL PRODUCTS.**

37 Section 1847A(b)(8) of the Social Security Act (42 U.S.C. 1395w–3a(b)(8)) is amended—

1 (1) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively,
2 and moving the margin of each such redesignated clause 2 ems to the right;

3 (2) by striking “PRODUCT.—The amount” and inserting the following: “PRODUCT.—

4 “(A) IN GENERAL.—Subject to subparagraph (B), the amount”; and

5 (3) by adding at the end the following new subparagraph:

6 “(B) TEMPORARY PAYMENT INCREASE.—

7 “(i) IN GENERAL.—In the case of a qualifying biosimilar biological product
8 that is furnished during the applicable 5-year period for such product, the
9 amount specified in this paragraph for such product with respect to such
10 period is the sum determined under subparagraph (A), except that clause (ii)
11 of such subparagraph shall be applied by substituting ‘8 percent’ for ‘6
12 percent’.

13 “(ii) APPLICABLE 5-YEAR PERIOD.—For purposes of clause (i), the
14 applicable 5-year period for a qualifying biosimilar biological product is—

15 “(I) in the case of such a product for which payment was made under
16 this paragraph as of March 31, 2022, the 5-year period beginning on
17 April 1, 2022; and

18 “(II) in the case of such a product for which payment is first made
19 under this paragraph during a calendar quarter during the period
20 beginning April 1, 2022, and ending March 31, 2027, the 5-year period
21 beginning on the first day of such calendar quarter during which such
22 payment is first made.

23 “(iii) QUALIFYING BIOSIMILAR BIOLOGICAL PRODUCT DEFINED.—For
24 purposes of this subparagraph, the term ‘qualifying biosimilar biological
25 product’ means a biosimilar biological product described in paragraph
26 (1)(C) with respect to which—

27 “(I) in the case of a product described in clause (ii)(I), the average
28 sales price under paragraph (8)(A)(i) for a calendar quarter during the
29 5-year period described in such clause is not more than the average sales
30 price under paragraph (4)(A) for such quarter for the reference
31 biological product; and

32 “(II) in the case of a product described in clause (ii)(II), the average
33 sales price under paragraph (8)(A)(i) for a calendar quarter during the
34 5-year period described in such clause is not more than the average sales
35 price under paragraph (4)(A) for such quarter for the reference
36 biological product.”.

37 **SEC. 139405. IMPROVING ACCESS TO ADULT**
38 **VACCINES UNDER MEDICAID AND CHIP.**

39 (a) Medicaid.—

1 **(1) REQUIRING COVERAGE OF ADULT VACCINATIONS.—**

2 **(A) IN GENERAL.—Section 1902(a)(10)(A) of the Social Security Act (42 U.S.C.**
3 **1396a(a)(10)(A)) is amended in the matter preceding clause (i) by inserting**
4 **“(13)(B),” after “(5),”.**

5 **(B) MEDICALLY NEEDY.— Section 1902(a)(10)(C)(iv) of such Act (42 U.S.C.**
6 **1396a(a)(10)(C)(iv)) is amended by inserting “, (13)(B),” after “(5)”.**

7 **(2) NO COST SHARING FOR VACCINATIONS.—**

8 **(A) GENERAL COST-SHARING LIMITATIONS.—Section 1916 of the Social Security**
9 **Act (42 U.S.C. 1396o) is amended—**

10 **(i) in subsection (a)(2)—**

11 **(I) in subparagraph (G), by inserting a comma after “State plan”;**

12 **(II) in subparagraph (H), by striking “; or” and inserting a comma;**

13 **(III) in subparagraph (I), by striking “; and” and inserting “, or”; and**

14 **(IV) by adding at the end the following new subparagraph:**

15 **“(J) vaccines described in section 1905(a)(13)(B) and the administration of such**
16 **vaccines; and”; and**

17 **(ii) in subsection (b)(2)—**

18 **(I) in subparagraph (G), by inserting a comma after “State plan”;**

19 **(II) in subparagraph (H), by striking “; or” and inserting a comma;**

20 **(III) in subparagraph (I), by striking “; and” and inserting “, or”; and**

21 **(IV) by adding at the end the following new subparagraph:**

22 **“(J) vaccines described in section 1905(a)(13)(B) and the administration of such**
23 **vaccines; and”.**

24 **(B) APPLICATION TO ALTERNATIVE COST SHARING.—Section 1916A(b)(3)(B) of**
25 **the Social Security Act (42 U.S.C. 1396o–1(b)(3)(B)) is amended by adding at the**
26 **end the following new clause:**

27 **“(xiv) Vaccines described in section 1905(a)(13)(B) and the administration**
28 **of such vaccines.”.**

29 **(3) INCREASED FMAP FOR ADULT VACCINES.—Section 1905(b) of the Social Security**
30 **Act (42 U.S.C. 1396d(b)) is amended—**

31 **(A) by striking “and (5)” and inserting “(5)”;**

32 **(B) by striking “services and vaccines described in subparagraphs (A) and (B)**
33 **of subsection (a)(13), and prohibits cost-sharing for such services and vaccines”**
34 **and inserting “services described in subsection (a)(13)(A), and prohibits**
35 **cost-sharing for such services”;**

36 **(C) by striking “medical assistance for such services and vaccines” and**
37 **inserting “medical assistance for such services”; and**

1 (D) by inserting “, and (6) during the first 8 fiscal quarters beginning on or
2 after the effective date of this clause, in the case of a State which, as of the date of
3 enactment of the Act titled ‘An Act to provide for reconciliation pursuant to title
4 II of S. Con. Res. 14’, provides medical assistance for vaccines described in
5 subsection (a)(13)(B) and their administration and prohibits cost-sharing for such
6 vaccines, the Federal medical assistance percentage, as determined under this
7 subsection and subsection (y), shall be increased by 1 percentage point with
8 respect to medical assistance for such vaccines” before the first period.

9 **(b) CHIP.—**

10 **(1) REQUIRING COVERAGE OF ADULT VACCINATIONS.—**Section 2103(c) of the Social
11 Security Act (42 U.S.C. 1397cc(c)) is amended by adding at the end the following
12 paragraph:

13 **“(12) REQUIRED COVERAGE OF APPROVED, RECOMMENDED ADULT VACCINES AND**
14 **THEIR ADMINISTRATION.—**Regardless of the type of coverage elected by a State under
15 subsection (a), if the State child health plan or a waiver of such plan provides child
16 health assistance or pregnancy-related assistance (as defined in section 2112) to an
17 individual who is 19 years of age or older, such assistance shall include coverage of
18 vaccines described in section 1905(a)(13)(B) and their administration.”.

19 **(2) NO COST-SHARING FOR VACCINATIONS.—**Section 2103(e)(2) of such Act (42 U.S.C.
20 1397cc(e)(2)) is amended by inserting “vaccines described in subsection (c)(12) (and
21 the administration of such vaccines),” after “in vitro diagnostic products described in
22 subsection (c)(10) (and administration of such products),”.

23 **(c) Effective Date.—**The amendments made by this section take effect on the 1st day of
24 the 1st fiscal quarter that begins on or after the date that is 1 year after the date of
25 enactment of this Act and shall apply to expenditures made under a State plan or waiver of
26 such plan under title XIX of the Social Security Act (42 U.S.C. 1396 through 1396w-6) or
27 under a State child health plan or waiver of such plan under title XXI of such Act (42
28 U.S.C. 1397aa through 1397mm) on or after such effective date.

29 **Subtitle J—Supplemental Security Income for the**
30 **Territories**

31 **SECTION 131001. EXTENSION OF THE SUPPLEMENTAL**
32 **SECURITY INCOME PROGRAM TO PUERTO RICO, THE**
33 **UNITED STATES VIRGIN ISLANDS, GUAM, AND**
34 **AMERICAN SAMOA.**

35 **(a) In General.—**Section 303 of the Social Security Amendments of 1972 (86 Stat. 1484) is
36 amended by striking subsection (b).

37 **(b) Conforming Amendments.—**

38 **(1) DEFINITION OF STATE.—**Section 1101(a)(1) of the Social Security Act (42 U.S.C.
39 1301(a)(1)) is amended by striking the 5th sentence and inserting the following: “Such term

1 when used in title XVI includes Puerto Rico, the United States Virgin Islands, Guam, and
2 American Samoa.”.

3 (2) ~~ELIMINATION OF EXEMPTION OF SSI PAYMENTS FROM LIMIT ON TOTAL PAYMENTS TO~~
4 ~~THE TERRITORIES.—Section 1108(a)(1) of such Act (42 U.S.C. 1308(a)(1)) is amended by~~
5 ~~striking “under titles I, X, XIV, and XVI”.) is amended—~~

6 (A) ~~in the section heading, by striking “; limitation on total payments”;~~

7 (B) ~~by striking subsection (a); and~~

8 (C) ~~in subsection (c), by striking paragraphs (2) and (4) and redesignating paragraphs (3)~~
9 ~~and (5) as paragraphs (2) and (3), respectively.~~

10 (3) UNITED STATES NATIONALS TREATED THE SAME AS CITIZENS.—Section 1614(a)(1)(B)
11 of such Act (42 U.S.C. 1382c(a)(1)(B)) is amended—

12 (A) in clause (i)(I), by inserting “or national of the United States,” after “citizen”;

13 (B) in clause (i)(II), by adding “; or” at the end; and

14 (C) in clause (ii), by inserting “or national” after “citizen”.

15 (4) TERRITORIES INCLUDED IN GEOGRAPHIC MEANING OF UNITED STATES.—Section
16 1614(e) of such Act (42 U.S.C. 1382c(e)) is amended by striking “and the District of
17 Columbia” and inserting “, the District of Columbia, Puerto Rico, the United States Virgin
18 Islands, Guam, and American Samoa”.

19 (c) Waiver Authority.—The Commissioner of Social Security may waive or modify any
20 statutory requirement relating to the provision of benefits under the Supplemental Security
21 Income Program under title XVI of the Social Security Act in Puerto Rico, the United States
22 Virgin Islands, Guam, or American Samoa, to the extent that the Commissioner deems it
23 necessary in order to adapt the program to the needs of the territory involved.

24 (d) Effective Date.—This section and the amendments made by this section shall take effect
25 on January 1, 2024.